- The final version of the Plan Supplement and all of the schedules, documents, and exhibits contained therein shall have been Filed in form and substance reasonably acceptable to the Debtors, the Principal Noteholders, and the Existing Stockholder without prejudice to the Reorganized Debtors' rights under the Plan to alter, amend, or modify certain of the schedules, documents, and exhibits contained in the Plan Supplement; provided that each such altered, amended, or modified schedule, documents, or exhibit shall be in form and substance acceptable to the Principal Noteholders and the Existing Stockholder.

- All actions, documents, certificates, and agreements necessary to implement this Plan shall have been effected or executed and delivered to the required parties and, to the extent required, Filed with the applicable governmental units in accordance with applicable laws.

- All authorizations, consents, and regulatory approvals shall have been obtained from the FCC or any other federal regulatory agency including, without limitation, any approvals required in connection with the transfer, change of control, or assignment of FCC licenses, and no appeals of such approvals remain outstanding.

2. Waiver of Conditions

The conditions to the Effective Date of the Plan set forth in Article X of the Plan may be waived by the Debtors, the Principal Noteholders, and the Existing Stockholder without notice to or action, order, or approval of the Bankruptcy Court or any other Entity.

J. MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

1. Modification and Amendments

Except as otherwise specifically provided in the Plan, the Debtors, in consultation with the Principal Noteholders and the Existing Stockholder, reserve the right to modify the Plan as to material terms and seek Confirmation consistent with the Bankruptcy Code; provided that such modified Plan or material term thereof shall be in form and substance acceptable to the Principal Noteholders and the Existing Stockholder. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019 and those restrictions on modifications set forth in the Plan, each of the Debtors expressly reserves its respective rights to revoke or withdraw, or, to alter, amend, or modify materially the Plan with respect to such Debtor, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan. Any such modification or supplement shall be considered a modification of the Plan and shall be made in accordance with Article XI of the Plan.

2. Effect of Confirmation on Modifications

Entry of a Confirmation Order shall mean that all modifications or amendments to the Plan since the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

3. Revocation or Withdrawal of the Plan

The Debtors reserve the right to revoke or withdraw the Plan prior to the Confirmation Date and to file subsequent plans of reorganization. If the Debtors revoke or withdraw the Plan, or if Confirmation or Consummation does not occur, then: (a) the Plan shall be null and void in all respects; (b) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void in all respects; and (c) nothing contained in the Plan or the Disclosure Statement shall: (i) constitute a waiver or release of any Claims or Interests in any respect; (ii) prejudice in any manner the rights of such Debtor or any other Entity in any

respect; or (iii) constitute an admission, acknowledgement, offer, or undertaking of any sort by such Debtor or any other Entity in any respect.

K. RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Bankruptcy Court shall retain jurisdiction over all matters arising out of, or related to, the Chapter 11 Cases and the Plan pursuant to sections 105(a) and 1142 of the Bankruptcy Code, including jurisdiction to:

- Allow, disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim, of any request for the payment or distribution on account of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code, and of any and all objections to the Secured or unsecured status, priority, amount, or allowance of Claims or Interests;

- Decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals authorized pursuant to the Bankruptcy Code or the Plan;

- Resolve any matters related to: (1) the assumption, assumption and assignment, or rejection of any Executory Contract or Unexpired Lease to which a Debtor is party or with respect to which a Debtor may be liable and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Cure Claims pursuant to section 365 of the Bankruptcy Code; (2) any potential contractual obligation under any Executory Contract or Unexpired Lease that is assumed; (3) the Reorganized Debtors amending, modifying, or supplementing, after the Effective Date, pursuant to Article V of the Plan, any Executory Contracts or Unexpired Leases to the list of Executory Contracts and Unexpired Leases to be assumed or rejected or otherwise; and (4) any dispute regarding whether a contract or lease is or was executory or unexpired;

- Ensure that distributions to Holders of Allowed Claims and Interests are accomplished pursuant to the provisions of the Plan;

- Adjudicate, decide, or resolve any motions, adversary proceedings, contested or litigated matters, and any other matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

- Adjudicate, decide, or resolve any and all matters related to Causes of Action;

- Adjudicate, decide, or resolve any and all matters related to section 1141 of the Bankruptcy Code;

- Enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Disclosure Statement;

- Enter and enforce any order for the sale of property pursuant to sections 363, 1123, or 1146(a) of the Bankruptcy Code;

- Resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan;

- Issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

- Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the releases, injunctions, and other provisions contained in Article VIII of the Plan and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;

- Hear and determine all disputes involving the existence, nature, or scope of the Debtors' discharge, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;

- Resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the Holder of a Claim or Interest for amounts not timely repaid pursuant to Article VI.H.1 of the Plan;

- Enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

- Determine any other matters that may arise in connection with or relate to the Plan, the Disclosure Statement, the Confirmation Order, or any contract, instrument, release, indenture, or other agreement or document created in connection with the Plan or the Disclosure Statement;

- Enter an order or Final Decree concluding or closing the Chapter 11 Cases;

- Adjudicate any and all disputes arising from or relating to distributions under the Plan;

- Consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Bankruptcy Court order, including the Confirmation Order;

- Hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, or the Confirmation Order, including disputes arising under agreements, documents, or instruments executed in connection with the Plan;

- Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

- Enforce all orders previously entered by the Bankruptcy Court; and

- Hear any other matter not inconsistent with the Bankruptcy Code.

L. MISCELLANEOUS PROVISIONS

1. Immediate Binding Effect

Subject to Article X.A of the Plan and notwithstanding Bankruptcy Rules 3020(e), 6004(g), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan and the Plan Supplement shall be immediately effective and enforceable and deemed binding upon the Debtors, the Reorganized Debtors, and any and all Holders of Claims or Interests (irrespective of whether such Claims or Interests are deemed to have accepted the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, discharges, and injunctions described in the Plan, each Entity acquiring property under the Plan, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases with the Debtors.

2. Additional Documents

On or before the Effective Date, the Debtors may file with the Bankruptcy Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan; provided that, each such agreement or other document shall be in form and substance acceptable to the Principal Noteholders and the Existing Stockholder. The Debtors or the Reorganized Debtors, as applicable, and all Holders of Claims or Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or appropriate to effectuate the provisions and intent of the Plan.

3. Payment of Statutory Fees

All fees payable pursuant to section 1930(a) of the Judicial Code, as determined by the Bankruptcy Court, shall be paid for each quarter (including any fraction thereof) until the first to occur of the Chapter 11 Cases being converted, dismissed, or closed.

4. Dissolution of Committees

On the Effective Date, the Committees, if any, shall dissolve and members thereof shall be released and discharged from all rights and duties from or related to the Chapter 11 Cases.

5. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Bankruptcy Court shall have entered the Confirmation Order. None of the Filing of the Plan, any statement or provision contained in the Plan, or the taking of any action by any Debtor with respect to the Plan or the Disclosure Statement, shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the Holders of Claims or Interests prior to the Effective Date.

6. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, affiliate, officer, director, agent, representative, attorney, beneficiaries, or guardian, if any, of each Entity.

7. Service of Documents

After the Effective Date, any pleading, notice, or other document required by the Plan to be served on or delivered to the Reorganized Debtors shall be served on:

DBSD North America, Inc.
Attn: General Counsel
11700 Plaza America Drive
Suite 1010
Reston, Virginia 20190

KIRKLAND & ELLIS LLP
Marc J. Carmel
Sienna R. Singer
300 North LaSalle Street
Chicago, Illinois 60654

After the Effective Date, the Debtors have authority to send a notice to Entities that to continue to receive documents pursuant to Bankruptcy Rule 2002, they must file a renewed request to receive documents pursuant to Bankruptcy Rule 2002. After the Effective Date, the Debtors are authorized to limit the list of Entities receiving documents pursuant to Bankruptcy Rule 2002 to those Entities who have Filed such renewed requests.

8. Term of Injunctions or Stays

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Bankruptcy Court, and extant on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

9. Plan Supplement

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan, and any reference to the Plan shall mean the Plan and the Plan Supplement. Upon its Filing, the Plan Supplement may be inspected in the office of the clerk of the Bankruptcy Court or its designee during normal business hours, at the Bankruptcy Court's website at www.nysb.uscourts.gov, and at the website of the Debtors' Claims and Solicitation Agent at http://gardencitygroup.com/cases/dbsd. The documents contained in the Plan Supplement are an integral part of the Plan and shall be deemed approved by the Bankruptcy Court pursuant to the Confirmation Order.

10. Entire Agreement

Except as otherwise indicated, the Plan and the Plan Supplement supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

11. Nonseverability of Plan Provisions

If, prior to Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void, or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration, or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired, or invalidated by such holding, alteration, or interpretation. The Confirmation Order shall constitute a judicial determination and shall be deemed to provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified without the Debtors' consent; and (c) nonseverable and mutually dependent.

12. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors and each of their respective Affiliates, subsidiaries, members, principals, shareholders, officers, directors, employees, representatives, agents, financial advisors, attorneys, accountants, investment bankers, consultants, and other professionals will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan, and, therefore, will have no liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan.

13. Waiver or Estoppel

Each Holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured or not subordinated by virtue of an agreement made with the Debtors or their counsel or any other Entity, if such agreement was not disclosed in the Plan, the Disclosure Statement, or papers Filed with the Bankruptcy Court prior to the Confirmation Date. Without limiting the foregoing, the Debtors acknowledge that the Principal Noteholders are party to the Support Agreement and that the parties thereto continue to be bound by the terms of the Support Agreement, subject to the terms thereto, until Consummation of the Plan.

14. Conflicts

Except as set forth in the Plan, to the extent that any provision of the Disclosure Statement, the Plan Supplement, or any other order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing), conflict with or are in any way inconsistent with any provision of the Plan, unless otherwise ordered by the Bankruptcy Court, the non exhibit or non document portion of the Plan shall govern and control.

ARTICLE V
SOLICITATION PROCESS AND VOTING PROCEDURES

The following summarizes the solicitation process and procedures for voting to accept or reject the Plan. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code and to consult their own attorneys.

The following summarizes the solicitation process and procedures for voting to accept or reject the Plan. Holders of Claims and Interests are encouraged to review the relevant provisions of the Bankruptcy Code and to consult their own attorneys.

A. SOLICITATION PROCESS

1. Claims and Solicitation Agent

The Debtors have retained GCG as the Claims and Solicitation Agent to assist in the balloting and tabulation process. GCG will, among other things, answer questions, provide additional copies of Solicitation Package, and generally oversee the solicitation process. In addition to the solicitation to be conducted by the Claims and Solicitation Agent, the Debtors, through the Claims and Solicitation Agent, are also utilizing FBG as the Securities Voting Agent to assist with the solicitation of certain Holders of the Debtors' Senior Notes.

Entities may contact GCG directly at (888) 256-2603 with any questions related to the Solicitation Procedures applicable to their Claims or Interests.

2. Distribution of the Solicitation Package

The following documents and materials constitute the Solicitation Package:

- A cover letter: (i) describing the contents of the Solicitation Package; (ii) explaining that the Plan Supplement will be filed on or before five calendar days prior to the Voting Deadline; and (iii) urging the Holders and/or Beneficial Holders in each of the Voting Classes to vote to accept the Plan;
- If applicable, a letter, in form and substance acceptable to the Debtors, in their discretion, from the Debtors' significant constituents, urging the Holders and/or Beneficial Holders in each of the Voting Classes to vote to accept the Plan;
- The Disclosure Statement Order (with the Solicitation Procedures, which are Exhibit 1 attached thereto);
- An appropriate form of Ballot and/or Master Ballot and voting instructions with respect thereto, if applicable (with a pre-addressed, postage pre-paid return envelope);
- The Confirmation Hearing Notice;
- The approved form of this Disclosure Statement (together with the Plan, which shall be Exhibit A attached thereto); and
- Such other materials as the Bankruptcy Court may direct.

Through the Claims and Solicitation Agent, the Debtors intend to distribute the Solicitation Packages on or before [___], 2009, which is more than 25 calendar days before the Voting Deadline (the "**Solicitation Date**"). The Debtors submit that distribution of the Solicitation Packages at least 25 calendar days before the Voting Deadline will provide the requisite materials and notice to Holders of Claims and Interests entitled to vote on the Plan in compliance with Bankruptcy Rules 3017(d).

The Solicitation Packages will be served on the following entities:

- Holders of Claims and Interests for which a Proof of Claim or Interest has been timely-Filed, as reflected on the Claims Register as of the Voting Record Date; provided, however, that Holders of Claims and Interests to which an objection is pending at least 15 days prior to the Confirmation Hearing shall not be entitled to vote unless such Holders become eligible to vote through a Resolution Event in accordance with section D.6 of the Solicitation Procedures;

- All Entities listed in the Debtors' Schedules shall receive Solicitation Packages with the exception of those Claims and Interests that are scheduled as contingent, unliquidated, disputed, or any combination thereof (excluding such scheduled Claims and Interests that have been superseded by a timely-Filed Proof of Claim); provided, however, that Holders of Claims and Interests that are scheduled as contingent, unliquidated, or disputed for which the applicable Bar Date for such Holder or Beneficial Holder has not passed shall receive Solicitation Packages;

- Holders whose Claims or Interests arise pursuant to an agreement or settlement with the Debtors, as reflected in a document Filed with the Bankruptcy Court, in an order of the Bankruptcy Court or in a document executed by the Debtors pursuant to authority granted by the Bankruptcy Court, in each case regardless of whether a Proof of Claim or Interest has been Filed;

- Holders of Class 1 Prepetition Facility Claims as of the Voting Record Date, based upon the records of Wells Fargo Bank, N.A., as successor administrative agent under the Prepetition Credit Agreement, as provided to the Claims and Solicitation Agent pursuant to the Solicitation Procedures; and

- With respect to any Beneficial Holder who holds its position through a Nominee, to the applicable Nominee, as reflected in the relevant records as of the Voting Record Date.

The Debtors shall make every reasonable effort to ensure that Holders and/or Beneficial Holders of more than one Claim or Interest in a single Voting Class receive no more than one Solicitation Package on account of such Claims or Interests.

Any Entity that wishes to obtain additional paper copies of the Solicitation Package may obtain copies: (a) from the Claims and Solicitation Agent (i) (except Ballots and Master Ballots) at its website at www.gardencitygroup.com/cases/dbsd, (ii) by writing to The Garden City Group, Inc., Attn: DBSD North America, Inc., 105 Maxess Road, Melville, New York 11747, (iii) by calling (888) 256-2603, or (iv) by emailing dbsdmail@gardencitygroup.com; or (b) (except Ballots and Master Ballots) for a fee via PACER at https://ecf.nysb.uscourts.gov.

3. Distribution of the Plan Supplement

The Plan Supplement will be Filed by the Debtors on or before five business days before the Voting Deadline or such later date as may be approved by the Bankruptcy Court on notice to parties in interest. When Filed, the Plan Supplement will be available (a) from the Claims and Solicitation Agent (i) at its website at www.gardencitygroup.com/cases/dbsd, (ii) by writing to The Garden City Group, Inc., Attn: DBSD North America, Inc., 105 Maxess Road, Melville, New York 11747, (iii) by calling (888) 256-2603, or (iv) by emailing dbsdmail@gardencitygroup.com; or (b) for a fee via PACER at https://ecf.nysb.uscourts.gov. The Debtors may subsequently amend, supplement, or modify the Plan Supplement.

B. VOTING PROCEDURES

1. Voting Record Date

The Voting Record Date is [_____], 2009 at 5:00 p.m., prevailing Eastern Time. The Voting Record Date is the date on which the following will be determined: (a) the Holders of Claims and Interests that are entitled to receive the Solicitation Package in accordance with the Solicitation Procedures; (b) the Holders of Claims and Interests that are entitled to vote to accept or reject the Plan; and (c) whether Claims or Interests have been properly assigned or transferred to an assignee pursuant to Bankruptcy Rule 3001(e) such that the assignee can vote as the Holder of a Claim or Interest.

2. Voting Deadline

The Voting Deadline is [ ], 2009 at 5:00 p.m., prevailing Eastern Time. To be counted, Ballots cast by Holders of Claims and Interests in the Voting Classes and Master Ballots cast on behalf of Beneficial Holders must be **actually received** by GCG by the Voting Deadline.

Any Ballot that is properly executed but fails to clearly indicate an acceptance or rejection or that indicates both an acceptance and a rejection of the Plan, shall not be counted. Each Holder of a Claim or Interest must vote all of its Claims or Interests in a single Voting Class either to accept or reject the Plan and may not split its votes. By signing and returning a Ballot, each Holder of a Claim or Interest in a Voting Class will certify to the Bankruptcy Court and the Debtors that no other Ballots with respect to such Class have been cast or, if any other Ballots have been cast with respect to such Class, such other earlier-dated Ballots are revoked.

GCG WILL PROCESS AND TABULATE BALLOTS AND MASTER BALLOTS FOR EACH CLASS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN, AND THE DEBTORS WILL FILE A VOTING REPORT (THE "**VOTING REPORT**") NO LATER THAN 5 CALENDAR DAYS BEFORE THE CONFIRMATION HEARING.

UNLESS THE DEBTORS IN THEIR DISCRETION DECIDE OTHERWISE, NO BALLOT OR MASTER BALLOT RECEIVED AFTER THE VOTING DEADLINE SHALL BE COUNTED.

3. Voting Procedures for Holders of Claims and Interests

Holders of Allowed Claims and Interests in the Voting Classes—Classes 1, 2, 5, 7, and 8—may vote to accept or reject the Plan by completing the appropriate Ballots and returning them in accordance with the Voting Instructions included in the Solicitation Package.

Voting instructions are attached to each Ballot and Master Ballot and summarized herein. It is important to follow all instructions, including the specific instructions provided with each Ballot and Master Ballot.

By signing and returning a Ballot, each Holder of a Claim or Interest in a Voting Class—Classes 1, 2, 5, 7, and 8—will be certifying to the Bankruptcy Court and the Debtors that, among other things:

- That either: (i) the Entity is the Holder of a Claim or Interest in the Class of Claims or Interests being voted; or (ii) the Entity is an authorized signatory for an Entity that is a Holder of a Claim or Interest in the Class of Claims or Interests being voted;
- That the Entity has received a copy of the Disclosure Statement and the Solicitation Package and acknowledges that the solicitation is being made pursuant to the terms and conditions set forth therein;
- That the Entity has cast the same vote with respect to all Claims or Interests in each Voting Class; and
- That no other Ballots with respect to the same Claim or Interest have been cast or, if any other Ballots have been cast with respect to such Claim or Interest, then any such Ballots are thereby revoked.

RETURNING BALLOTS AND MASTER BALLOTS	
PLEASE COMPLETE, SIGN, AND DATE THE BALLOT AND RETURN IT PROMPTLY IN THE RETURN ENVELOPE PROVIDED. THE BALLOT MAY ALSO BE SENT AS FOLLOWS:	
By First Class Mail To: The Garden City Group, Inc. Attn: DBSD North America, Inc. P.O. Box 9000 #6530 Merrick, New York 11566-9000	**By Overnight Courier or Hand-Delivery To:** The Garden City Group, Inc. Attn: DBSD North America, Inc. 105 Maxess Road Melville, New York 11747

BALLOTS AND MASTER BALLOTS THAT ARE PROPERLY EXECUTED BUT THAT DO NOT CLEARLY INDICATE ACCEPTANCE OR REJECTION OF THE PLAN OR THAT INDICATE BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN WILL NOT BE COUNTED.

4. Additional Voting Procedures for Certain Holders of Senior Note Claims

The following additional procedures, as well as the aforementioned procedures, will apply to Beneficial Holders who hold their position through a Nominee:

- The date that is two business days prior to the first scheduled Disclosure Statement Hearing is the Voting Record Date for determining the identity of Beneficial Holders eligible to vote on the Plan;

- The Securities Voting Agent shall distribute or cause to be distributed the appropriate number of copies of Ballots to each Beneficial Holder holding a Claim as of the Voting Record Date, including Nominees identified by the Securities Voting Agent as Entities through which Beneficial Holders hold their Claims relating to Securities;

- Any Nominee that is a Holder of record with respect to Securities shall vote on behalf of Beneficial Holders of such Securities by: (i) immediately distributing the Solicitation Package, including Ballots, it receives from the Securities Voting Agent to all such Beneficial Holders; (ii) providing such Beneficial Holders with a return address to send Ballots, (iii) promptly collecting Ballots from such Beneficial Holders that cast votes on the Plan; (iv) compiling and validating the votes and other relevant information of all such Beneficial Holders on the Master Ballot; and (v) transmitting the Master Ballot to the Securities Voting Agent by the Voting Deadline;

- Any Beneficial Holder holding Securities as a record Holder in its own name shall vote on the Plan by completing and signing a Ballot and returning it directly to the Securities Voting Agent on or before the Voting Deadline;

- Any indenture trustee (unless otherwise empowered to do so) will not be entitled to vote on behalf of Beneficial Holders; rather, each such Beneficial Holder must submit his or her own Ballot in accordance with the Beneficial Holder voting procedures;

- Any Beneficial Holder holding Senior Notes in "street name" through a Nominee must vote on the Plan through such Nominee by completing and signing the Ballot and returning such Ballot to the appropriate Nominee as promptly as possible and in sufficient time to allow such Nominee to process the Ballot and return the Master Ballot to the Securities Voting Agent prior to the Voting Deadline. Any Beneficial Holder holding Senior Notes in "street name" that submits a Ballot to the Debtors, the Debtors' agents, or the Debtors' financial or

legal advisors will not have such Ballot counted for purposes of accepting or rejecting the Plan;

- Any Ballot returned to a Nominee by a Beneficial Holder shall not be counted for purposes of accepting or rejecting the Plan until such Nominee properly completes and delivers to the Securities Voting Agent a Master Ballot that reflects the vote of such Beneficial Holders by the Voting Deadline or otherwise validates the Ballot in a manner acceptable to the Claims and Solicitation Agent. Nominees shall retain all Ballots returned by Beneficial Holders for a period of one year after the Effective Date of the Plan;

- If a Beneficial Holder holds Senior Notes through more than one Nominee or through multiple accounts, such Beneficial Holder may receive more than one Ballot and each such Beneficial Holder should execute a separate Ballot for each block of Senior Notes that it holds through any Nominee and must return each such Ballot to the appropriate Nominee; and

- If a Beneficial Holder holds a portion of its Senior Notes through a Nominee or Nominees and another portion in its own name as the record holder, such Beneficial Holder should follow the procedures described in section D.3 of the Solicitation Procedures to vote the portion held in its own name and the procedures described in the rest of this section D.4 to vote the portion held by the Nominee(s).

C. GENERAL TABULATION PROCEDURES

1. Who May Vote

Only the following Holders of Claims and Interests in Voting Classes are entitled to vote:

- Holders of Claims or Interests for which Proofs of Claim or Interest have been timely-Filed, as reflected on the Claims Register as of the Voting Record Date; provided, however, that certain Holders of Claims or Interests subject to a pending objection shall not be entitled to vote unless they become eligible to vote through a Resolution Event, as set forth in more detail in section D.6 of the Solicitation Procedures;

- Holders of Claims or Interests that are listed in the Debtors' Schedules, with the exception of those Claims or Interests that are scheduled as contingent, unliquidated, or disputed (excluding such scheduled Claims and Interests that have been superseded by a timely-Filed Proof of Claim or Interest); provided, however, that Holders of Claims and Interests that are scheduled as contingent, unliquidated, or disputed for which the applicable Bar Date has not passed may vote;

- Holders whose Claims or Interests arise pursuant to an agreement or settlement with the Debtors, as reflected in a document Filed with the Bankruptcy Court, in an order of the Bankruptcy Court, or in a document executed by the Debtors pursuant to authority granted by the Bankruptcy Court, in each case regardless of whether a Proof of Claim or Interest has been Filed;

- The assignee of any transferred or assigned Claim or Interest, only if: (i) transfer or assignment has been fully effectuated pursuant to the procedures dictated by Bankruptcy Rule 3001(e); and (ii) such transfer is reflected on the Claims Register on or before the Voting Record Date;

- Holders of Class 1 Prepetition Facility Claims as of the Voting Record Date, based upon the records of the Agent, as provided to the Claims and Solicitation Agent pursuant to the Solicitation Procedures; and

- the applicable Nominee, as reflected in the relevant records as of the Voting Record Date.

2. Temporary Allowance of Claims for Voting Purposes

If a Holder or Beneficial Holder of a Claim or Interest is subject to a pending objection as of the Voting Record Date, the Holder or Beneficial Holder of such Claim or Interest cannot vote unless one or more of the following events have taken place at least five Business Days before the Voting Deadline (each, a "**Resolution Event**"): (a) an order of the Bankruptcy Court is entered allowing such Claim or Interest pursuant to section 502(b) of the Bankruptcy Code, after notice and a hearing; (b) an order of the Bankruptcy Court is entered temporarily allowing such Claim or Interest for voting purposes only pursuant to Bankruptcy Rule 3018(a), after notice and a hearing; (c) a stipulation or other agreement is executed between the Holder or Beneficial Holder of such Claim or Interest and the Debtors resolving the objection and allowing such Claim or Interest in an agreed upon amount; (d) a stipulation or other agreement is executed between the Holder or Beneficial Holder of such Claim or Interest and the Debtors temporarily allowing the Holder or Beneficial Holder of such Claim or Interest to vote its Claim or Interest in an agreed upon amount; or (e) the pending objection to such Claim or Interest is voluntarily withdrawn by the Debtors. No later than two Business Days after a Resolution Event, the Claims and Solicitation Agent shall distribute a Solicitation Package and a pre-addressed, postage pre-paid envelope to the relevant Holder or Beneficial Holder of such temporarily allowed Claim or Interest that has been allowed for voting purposes only (or for other purposes as set forth in an applicable order of the Bankruptcy Court) by such Resolution Event, which must be returned according to the instructions on the Ballot by no later than the Voting Deadline.

If the Holder of a Claim or Interest receives a Solicitation Package and the Debtors object to such Claim or Interest after the Voting Record Date, but at least 15 days prior to the Confirmation Hearing, the Debtors' notice of objection will inform such Holder of the rules applicable to Claims and Interests subject to a pending objection and the procedures for temporary allowance for voting purposes. Furthermore, if the Holder of a Claim or Interest receives a Solicitation Package and the Debtors object to such Claim or Interest less than 15 days prior to the Confirmation Hearing, the Holder's Claim or Interest shall be deemed temporarily allowed for voting purposes only without further action by the Holder of such Claim or Interest and without further order of the Bankruptcy Court.

3. Establishing Claim Amounts

In tabulating votes, the following hierarchy will be used to determine the amount of the Claim or Interest associated with each vote:

- The amount of the Claim or Interest settled and/or agreed upon by the Debtors, as reflected in a document Filed with the Bankruptcy Court, in an order of the Bankruptcy Court, or in a document executed by the Debtors pursuant to authority granted by the Bankruptcy Court, in each case regardless of whether a Proof of Claim or Interest has been Filed;

- The amount of the Claim or Interest allowed (temporarily or otherwise) pursuant to a Resolution Event under the procedures set forth in section D.6 of the Solicitation Procedures;

- The amount of the Claim or Interest contained in a Proof of Claim or Interest that has been timely-Filed by the applicable Bar Date (or deemed timely-Filed by the Bankruptcy Court under applicable law) except for any amounts in such Proofs of Claim or Interest asserted on account of any Interest accrued after the Petition Date; provided that Ballots cast by Holders whose Claims are not listed on the Schedules, but that timely File a Proof of Claim or Interest in an unliquidated or unknown amount that are not the subject of an objection, will count for satisfying the numerosity requirement of section 1126(c) of the Bankruptcy Code and will count as Ballots for Claims or Interest in the amount of $1.00 solely for the purposes of satisfying the dollar amount provisions of section 1126(c) of the Bankruptcy Code; provided further that to the extent the amount of the Claim or Interest contained in the Proof of Claim or Interest is different from the amount of the Claim or Interest set forth in a document Filed with the Bankruptcy Court as referenced in section D.1 of the Solicitation Procedures, the amount of the Claim or Interest in the document Filed with the Bankruptcy Court shall supersede the amount of the Claim or Interest set forth on the respective Proof of Claim;

- The amount of the Claim or Interest listed in the Schedules, provided that such Claim or Interest is not scheduled as contingent, unliquidated, or disputed and has not been paid; provided, however, that if the Holder of a contingent, unliquidated, or disputed Claim or Interest is allowed to vote its Claim or Interest because the applicable Bar Date has not passed, then the amount of the Claim or Interest listed in the Schedules; and

- In the absence of any of the foregoing, zero.

4. Ballot Tabulation

The following voting procedures and standard assumptions will be used in tabulating Ballots and Master Ballots:

- Except as otherwise provided in the Solicitation Procedures, unless the Ballot or Master Ballot being furnished is timely submitted on or prior to the Voting Deadline, the Debtors shall reject such Ballot or Master Ballot as invalid and, therefore, decline to count it in connection with Confirmation;

- The Claims and Solicitation Agent or the Securities Voting Agent, as applicable, will date and time-stamp all Ballots and Master Ballots when received. The Claims and Solicitation Agent shall retain all original Ballots and Master Ballots and an electronic copy of the same for a period of six years after the Effective Date of the Plan, unless otherwise ordered by the Bankruptcy Court;

- An original executed Ballot or Master Ballot is required to be submitted by the Entity submitting such Ballot or Master Ballot. Delivery of a Ballot or Master Ballot to the Claims and Solicitation Agent or Securities Voting Agent, as applicable, by facsimile, email or any other electronic means shall not be valid;

- Pursuant to Local Rule 3018-1(a), the Debtors shall File the Voting Report with the Bankruptcy Court no later than five calendar days prior to the Confirmation Hearing. The Voting Report shall, among other things, delineate every irregular Ballot and Master Ballot including, without limitation, those Ballots and Master Ballots that are late or (in whole or in material part) illegible, unidentifiable, lacking signatures or necessary information, received via facsimile or electronic mail, or damaged. The Voting Report shall indicate the Debtors' intentions with regard to such irregular Ballots and Master Ballots;

- The method of delivery of Ballots or Master Ballots to the Claims and Solicitation Agent or Securities Voting Agent, as applicable, is at the election and risk of each Holder of a Claim. Except as otherwise provided in the Solicitation Procedures, such delivery will be deemed made only when the Claims and Solicitation Agent or the Securities Voting Agent, as appropriate, actually receives the originally executed Ballot or Master Ballot;

- No Ballot or Master Ballot should be sent to any of the Debtors, the Debtors' agents (other than the Claims and Solicitation Agent or the Securities Voting Agent, as applicable), any indenture trustee (unless specifically instructed to do so), or the Debtors' financial or legal advisors and if so sent will not be counted;

- If multiple Ballots or Master Ballots are received from the same Holder of a Claim or Interest with respect to the same Claim or Interest prior to the Voting Deadline, the latest-dated valid Ballot or Master Ballot received prior to the Voting Deadline will supersede and revoke any prior dated Ballot or Master Ballot;

- Holders must vote all of their Claims or Interests within a particular Class either to accept or reject the Plan and may not split any such votes. Accordingly, a Ballot that partially rejects and partially accepts the Plan will not be counted. Further, if a Holder has multiple Claims

within the same Class, the Debtors may, in their discretion, aggregate the Claims or Interests of any particular Holder within a Class for the purpose of counting votes;

- A person signing a Ballot or a Master Ballot in its capacity as a trustee, executor, administrator, guardian, attorney in fact, officer of a corporation, or otherwise acting in a fiduciary or representative capacity must indicate such capacity when signing and, if required or requested by the applicable Nominee or its agent, the Claims and Solicitation Agent, the Securities Voting Agent, the Debtors, or the Bankruptcy Court, must submit proper evidence to the requesting party to so act on behalf of such Holder or Beneficial Holder;

- The Debtors, subject to contrary order of the Bankruptcy Court, may waive any defects or irregularities as to any particular Ballot or Master Ballot at any time, either before or after the close of voting, and any such waivers shall be documented in the Voting Report;

- Neither the Debtors, nor any other Entity, will be under any duty to provide notification of defects or irregularities with respect to delivered Ballots and Master Ballots other than as provided in the Voting Report, nor will any of them incur any liability for failure to provide such notification;

- Unless waived by the Debtors, subject to contrary order of the Bankruptcy Court, any defects or irregularities in connection with deliveries of Ballots and Master Ballots must be cured prior to the Voting Deadline or such Ballots and Master Ballots will not be counted;

- In the event a designation for lack of good faith is requested by a party in interest under section 1126(e) of the Bankruptcy Code, the Bankruptcy Court will determine whether any vote to accept and/or reject the Plan cast with respect to that Claim or Interest will be counted for purposes of determining whether the Plan has been accepted and/or rejected by such Claim or Interest;

- Subject to any contrary order of the Bankruptcy Court, the Debtors reserve the right to reject any and all Ballots and Master Ballots not in proper form, the acceptance of which, in the opinion of the Debtors, would not be in accordance with the provisions of the Bankruptcy Code or the Bankruptcy Rules; provided, however, that any such rejections shall be documented in the Voting Report;

- If a Claim or Interest has been estimated or otherwise Allowed for voting purposes by an order of the Bankruptcy Court pursuant to Bankruptcy Rule 3018(a), such Claim or Interest shall be temporarily Allowed in the amount so estimated or Allowed by the Bankruptcy Court for voting purposes only and not for purposes of allowance or distribution;

- If an objection to a Claim or Interest is Filed, such Claim or Interest shall be treated in accordance with the procedures set forth in the Solicitation Procedures; and

- The following Ballots and Master Ballots shall not be counted in determining the acceptance or rejection of the Plan: (i) any Ballot or Master Ballot that is illegible or contains insufficient information to permit the identification of the Holder or Beneficial Holder of the Claim; (ii) any Ballot or Master Ballot cast by an Entity that does not hold a Claim in a Class that is entitled to vote on the Plan; (iii) any Ballot or Master Ballot cast for a Claim scheduled as contingent, unliquidated or disputed for which the applicable Bar Date has passed and no Proof of Claim was timely Filed; (iv) any unsigned Ballot or Master Ballot; (v) any Ballot or Master Ballot not marked to accept or reject the Plan or any Ballot marked both to accept and reject the Plan; and (vi) any Ballot or Master Ballot submitted by any Entity not entitled to vote pursuant to the Solicitation Procedures.

5. Master Ballot Tabulation

These rules will apply with respect to the tabulation of Master Ballots and Ballots cast by Nominees and beneficial holders:

- Votes cast by Beneficial Holders through Nominees will be applied to the applicable positions held by such Nominees in Class 2, as of the Voting Record Date, as evidenced by the applicable records. Votes submitted by a Nominee, whether pursuant to a Master Ballot or prevalidated Ballot, will not be counted in excess of the amount of such Securities held by such Nominee as of the Voting Record Date;

- If conflicting votes or "over-votes" are submitted by a Nominee, whether pursuant to a Master Ballot or prevalidated Ballot, the Debtors will use reasonable efforts to reconcile discrepancies with the Nominees;

- If over-votes on a Master Ballot or prevalidated Ballot are not reconciled prior to the preparation of the vote certification, the Debtors shall apply the votes to accept and to reject the Plan in the same proportion as the votes to accept and to reject the Plan submitted on the Master Ballot or prevalidated Ballot that contained the overvote, but only to the extent of the Nominee's position in Class 2;

- For purposes of tabulating votes, each Nominee or Beneficial Holder will be deemed to have voted the principal amount of its Claims in Class 2, although any principal amounts may be adjusted by the Claims and Solicitation Agent to reflect the amount of the Claim actually voted, including prepetition interest; and

- A single Nominee may complete and deliver to the Claims and Solicitation Agent multiple Master Ballots. Votes reflected on multiple Master Ballots will be counted, except to the extent that they are duplicative of other Master Ballots. If two or more Master Ballots are inconsistent, the last-dated valid Master Ballot received prior to the Voting Deadline will, to the extent of such inconsistency, supersede and revoke any prior dated Master Ballot.

ARTICLE VI
VALUATION ANALYSIS AND FINANCIAL PROJECTIONS

A. VALUATION OF THE REORGANIZED DEBTORS

In conjunction with formulating the Plan, the Debtors have been advised by Jefferies with respect to the value of the Reorganized Debtors. Jefferies has undertaken its valuation analysis for the purpose of determining the value available for distribution to Holders of Claims and Interests and the relative recoveries to Holders of Claims and Interests pursuant to the Plan.

For purposes of the Plan, the reorganization value (the "**Reorganization Value**") is estimated to range from approximately $[ ] to $[ ]. The Reorganization Value reflects the going concern value of the Reorganized Debtors after giving effect to the implementation of the Plan. The common equity value (the "**Equity Value**") of the Reorganized Debtors is estimated to range from approximately $[ ] to $[ ]. The Equity Value reflects the difference between the Reorganization Value and the total amount of net debt that is estimated to be outstanding after Consummation of the Plan.

With respect to the financial projections (the "**Projections**") prepared by the Debtors' management and attached hereto as **Exhibit D**, Jefferies believes that such Projections have been reasonably prepared in good faith and on a basis reflecting the best available estimates and judgments of the Debtors as to the future operating and financial performance of the Reorganized Debtors. Jefferies' estimate of Reorganization Value assumes that operating results projected by the Debtors will be achieved by the Reorganized Debtors and that all funding requirements set forth in the Projections are obtainable. The financial performance forecast by the Debtors' management is materially different than the recent financial performance of the Debtors. As a result of this and other factors, to the extent that the estimate of enterprise values is dependent upon the Reorganized Debtors

performing at the levels set forth in the Projections, such analysis should be considered speculative. If the business performs at levels below those set forth in the Projections, such performance may have a material impact on the estimated range of values.

In preparing an estimate of Reorganization Value, Jefferies conducted the following due diligence: (1) multiple meetings with the Debtors' management to discuss the business operations and the Debtors' Projections; (2) review of the Debtors' operating strategy and business plan; (3) review of management's financial forecasts, including various supporting schedules and information; (4) review of the assumptions underlying management's Projections, as well as risk factors and opportunities that could impact expected performance; (5) analysis of the Debtors' industry, the Debtors' key competitors, and trends in the environment in which the Debtors operate; and (6) analysis of the performance and market position of the Debtors relative to their key competitors and similar publicly traded companies. Although Jefferies conducted a review and analysis of the Debtors' businesses, operating assets, and liabilities and the Reorganized Debtors' business plan, Jefferies assumed and relied on the accuracy and completeness of all financial and other information furnished to it by the Debtors, as well as publicly available information.

B. VALUATION METHODOLOGIES

In performing its analysis, Jefferies utilized three primary methodologies: (1) Trading Comparables Analysis; (2) Spectrum Transactions Analysis; and (3) Discounted Cash Flow Analysis. Each of these analyses are substantially similar in approach to those used by Jefferies' Investment Banking Department's Telecommunications Group for other similar chapter 11 valuations, pricing debt and equity transactions, valuing transactions for fairness opinions, advising in mergers and acquisitions, and other similar transactions. These valuation methodologies are based upon the Debtors' business plan, certain publicly available information, and financial information provided by the Debtors.

In determining the Debtors' Reorganization Value, Jefferies considered the "fair market value" of the Debtors' assets, defined as "the price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts." This definition is from the United States Department of the Treasury's Internal Revenue Code, Subchapter B, §20.2031-1(b) and was utilized in United States v. Cartwright, 411 U.S. 546, 550–51 (1973) (internal citation omitted). The fair market value is assumed to occur in an open and unrestricted market, with "normal" conditions for (1) capital and financing markets, (2) strategic interests, and (3) supply of similar assets.

Jefferies believes that the Debtors' MSS/ATC next-generation mobile service spectrum license is among the Debtors' most valuable assets. MSS/ATC next-generation mobile service companies are firms that develop integrated mobile satellite and terrestrial services networks. The valuation of companies that utilize a MSS/ATC next-generation mobile service spectrum is often expressed as a multiple of megahertz-population ("**MHz POP**"). MHz POP takes a company's spectrum measured in MHz and multiplies it by the number of people living in the region covered by the spectrum. Total Enterprise Value ("**TEV**")/MHz POP is the primary valuation methodology for mobile satellite service providers that have yet to offer service, and such valuation is used by research analysts that cover MSS/ATC next-generation mobile service companies. These companies generally do not have positive cash flow and require extensive capital investments prior to obtaining positive earnings before interest, tax, depreciation, and amortization ("**EBITDA**").

On May 30, 2008, the FCC granted the Debtors 20 MHz of spectrum for MSS use in the 2 GHz band that covers the entire United States. Assuming a United States population of approximately [306] million, the Debtors currently have approximately [6] billion MHz POPs. The FCC has also granted the Debtors the right to use this spectrum terrestrially for ATC services, subject to meeting certain gating criteria.

THE FOLLOWING SUMMARY DOES NOT PURPORT TO BE A COMPLETE DESCRIPTION OF THE ANALYSES AND FACTORS UNDERTAKEN TO SUPPORT JEFFERIES' CONCLUSIONS. THE PREPARATION OF A VALUATION IS A COMPLEX PROCESS INVOLVING VARIOUS DETERMINATIONS AS TO THE MOST APPROPRIATE ANALYSES AND FACTORS TO CONSIDER, AS WELL AS THE APPLICATION OF THOSE ANALYSES AND FACTORS UNDER THE

PARTICULAR CIRCUMSTANCES. AS A RESULT, THE PROCESS INVOLVED IN PREPARING A VALUATION IS NOT READILY SUMMARIZED.

1. Trading Comparables Analysis

The "Trading Comparables Analysis" is based on enterprise values of publicly traded companies that have assets, operating, and financial characteristics similar to the Debtors. This analysis evaluates publicly traded companies in the MSS/ATC next-generation mobile service industry and compares them to the Debtors based on their mean and median TEV/MHz POP.

The small number of MSS/ATC next-generation mobile satellite service operators makes the selection of appropriate comparable companies for the Debtors challenging. In determining this set of comparable companies, Jefferies primarily considered the following factors in evaluating potential comparable companies: (a) publicly traded; (b) wireless communications provider; (c) communications services through a satellite; (d) primary operations expected to be through MSS/ATC spectrum; (e) coverage in the United States; (f) significant debt levels; and (g) developmental stage company. Jefferies determined that the most relevant and comparable companies to the Debtors are [ ].

2. Spectrum Transactions Analysis

The "Spectrum Transactions Analysis" is based upon the value of relevant spectrum auctions and transactions. Jefferies believes that the value of recent spectrum auctions is a key benchmark of the total enterprise value of the Debtors. This analysis evaluates the range of transaction prices/MHz POP paid in recent spectrum auctions and transactions.

In determining the most appropriate comparable transactions, Jefferies analyzed all mobile service spectrum transactions and auctions since 2001. Jefferies believes that transactions over the past four years are the most relevant given the fluctuations in the telecom market over the past decade, including the "tech bubble" at the turn of the century. The Debtors have 20 MHz located in the 2 GHz frequency bands and, as such, believe that the following auctions and transactions are the most comparable: [ ]. Such transactions are the most comparable because (a) once the Debtors are authorized for ATC usage, the Debtors' spectrum will be terrestrial spectrum, the type of spectrum represented by the comparable spectrum transactions, and (b) the Debtors' terrestrial spectrum is in close proximity to the terrestrial spectrum represented by the comparable spectrum transactions.

Jefferies derived an interim, gross valuation using the transaction value/MHz POP multiples derived from the comparable terrestrial spectrum transactions. However, because the Debtors must have firm arrangements in place to meet the FCC spare satellite requirements within one year of service initiation in order to receive authorization for ATC usage, Jefferies also deducted the cost of building a spare satellite to determine the Spectrum Transaction Analysis.

3. Discounted Cash Flow Analysis

The discounted cash flow analysis ("**DCF Analysis**") valuation methodology relates the value of an asset or business to the present value of expected future cash flows to be generated by that asset or business. The DCF Analysis is a "forward looking" valuation methodology approach that discounts the expected future cash flows by a theoretical or observed discount rate determined by calculating the average cost of debt and equity for publicly traded companies that are similar to the Debtors. This approach has two components: (a) the present value of the projected un-levered after-tax free cash flows for a determined period; and (b) the present value of the terminal value of cash flows (representing firm value beyond the time horizon of the Projections). Similar to estimated cash flows, the estimated discount rate and expected capital structure of the Reorganized Debtors are analyzed to derive a potential value.

In performing the calculation, Jefferies made assumptions for the weighted average cost of capital (the "**Discount Rate**"), which is used to value future cash flows based upon the level of risk allowed for in the Projections, and the EBITDA exit multiple, which is used to determine the future value of the enterprise after the end of the projected period. Jefferies used a range of discount rates between [ ]% and [ ]% for the Debtors'

business, which reflects a number of company and market-risk adjustments associated with the discounted cash flow.

For purposes of the DCF Analysis, Jefferies has reviewed and analyzed the Debtors' Mobile Interactive Media ("**mim**") Business Plan. Under the mim plan, the Debtors will combine their unique interactive satellite capability with terrestrial network coverage to deliver mobile video services including live television content, navigation, and enhanced roadside assistance. The mim plan assumes the Debtors continue to pursue their business plan of acquiring a spare satellite to establish a ground network for their MSS/ATC Hybrid Network and successfully secure the financing needed to fund the business in the near-term.

C. VALUATION CONSIDERATIONS

An estimate of total enterprise value is not entirely mathematical; rather it involves complex considerations and judgments concerning potential variances in projected financial and operating characteristics, as well as other factors that could affect the future prospects and cost of capital considerations for the Reorganized Debtors. Moreover, the value of an operating business is subject to uncertainties and contingencies that are difficult to predict and will fluctuate with changes in factors affecting the financial conditions and prospects of such a business. As a result, the estimates of total enterprise value set forth herein are not necessarily indicative of actual outcomes, which may be significantly different than those set forth herein. Because such estimates are inherently subject to a number of uncertainties, neither the Debtors, the Reorganized Debtors, Jefferies, nor any other person assumes responsibility for their accuracy. Depending on the results of the Debtors' and Reorganized Debtors' operations or changes in the financial markets, Jefferies' valuation analysis as of the Effective Date may differ from that disclosed herein. In addition, any valuation of newly issued securities implied by the estimates of value set forth herein is subject to additional uncertainties and contingencies, all of which are difficult to predict. Actual market prices of such securities at issuance will depend upon, among other things: (1) prevailing interest rates; (2) conditions in the financial markets; (3) the anticipated initial securities holdings of prepetition creditors, some of which may prefer to liquidate their investment rather than hold it on a long term basis; and (4) other factors that generally influence the prices of securities. Actual market prices of such securities also may be affected by the Chapter 11 Cases or by other factors not possible to predict. Accordingly, the Reorganization Value estimated by Jefferies does not necessarily reflect, and should not be construed as reflecting, values that will be attained in the public or private markets.

D. FINANCIAL PROJECTIONS

As a condition to confirmation of a chapter 11 plan, the Bankruptcy Code requires, among other things, a bankruptcy court find that confirmation "is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is contemplated by the plan." 11 U.S.C. § 1129(a)(11). In connection with developing the Plan, and for the purposes of determining whether the Plan satisfies feasibility standards, the Debtors' management has, through the development of certain financial projections as attached hereto as **Exhibit D** (the "**Projections**"), analyzed the Reorganized Debtors' ability to meet their obligations under the Plan and to maintain sufficient liquidity and capital resources to conduct their business. The Projections will also assist each Holder of a Claim or Interest in the Voting Classes in determining whether to vote to accept or reject the Plan.

The Debtors believe that the Plan meets the feasibility requirement set forth in section 1129(a)(11) of the Bankruptcy Code, as confirmation is not likely to be followed by liquidation or the need for further financial reorganization of the Reorganized Debtors. In general, as illustrated by the Projections, the Debtors believe that with a significantly de-leveraged capital structure, the Reorganized Debtors will be financially viable. The Debtors believe that the Reorganized Debtors will have sufficient liquidity, assuming the availability of the New Credit Facility or liquidity from the ARS, to fund obligations as they arise, thereby maintaining value. Accordingly, the Debtors believe that the Plan satisfies the feasibility requirement of section 1129(a)(11) of the Bankruptcy Code. The Debtors prepared the Projections in good faith based upon, among other things, the estimates and assumptions as to the future financial condition and results of operations of the Reorganized Debtors. Although the Projections represent the Debtors' best estimates of the results of the Debtors' operations and financial position after giving effect to the reorganization contemplated under the Plan and although the Debtors believe they have a reasonable basis for the Projections as of the date hereof, the Projections are only estimates, and actual results may vary

considerably from forecasts. Consequently, the inclusion of the information regarding the Projections herein should not be regarded as a representation by the Debtors, their advisors, or any other Entity that the forecast results will be achieved.

The estimates and assumptions in the Projections, while considered reasonable by the Debtors' management, may not be realized and are inherently subject to a number of uncertainties and contingencies. The Projections also are based on factors such as industry performance and general business, economic, competitive, regulatory, market, and financial conditions, all of which are difficult to predict and generally beyond the Debtors' control. Because future events and circumstances may well differ from those assumed and unanticipated events or circumstances may occur, the Debtors expect that the actual and projected results will differ, and the actual results may differ materially from those contained in the Projections. No representations can be made as to the accuracy of the Projections or the Reorganized Debtors' ability to achieve the projected results. Therefore, the Projections may not be relied upon as a guaranty or other assurance of the actual results that will occur. The inclusion of the Projections herein should not be regarded as an indication that the Debtors considered or consider the Projections to reliably predict future performance. The Projections are subjective in many respects and, thus, are susceptible to interpretations and periodic revisions based on actual experience and developments. The Debtors do not intend to update or otherwise revise the Projections to reflect the occurrence of future events, even if assumptions underlying the Projections are not borne out. The Projections should be read in conjunction with the assumptions and qualifications set forth herein.

The Debtors did not prepare the Projections with a view towards complying with the guidelines for prospective financial statements published by the American Institute of Certified Public Accountants. The Debtors' independent auditor has neither compiled nor examined the accompanying prospective financial information to determine the reasonableness thereof and, accordingly, has not expressed an opinion or any other form of assurance with respect thereto.

The Debtors do not, as a matter of course, publish projections of their anticipated financial position, results of operations or cash flows. Accordingly, neither the Debtors nor the Reorganized Debtors intend to, and each disclaims any obligation to: (1) furnish updated projections to Holders of Claims and Interests prior to the Effective Date or to Holders of New Credit Facility Claims or New Common Stock, or to any other Entity after the Effective Date; (2) include any such updated information in any documents that may be required to be filed with the Securities and Exchange Commission; or (3) otherwise make such updated information publicly available. The Debtors periodically issue press releases reporting financial results and Holders of Claims and Interests are urged to review any such press releases when, and as, issued.

The Projections were not prepared with a view toward general use, but rather for the limited purpose of providing information in conjunction with the Plan. In addition, the Projections have been presented in lieu of pro forma historical financial information. Reference should be made to ARTICLE VIII hereof, entitled "Plan Related Risk Factors And Alternatives To Confirming And Consummating The Plan" for a discussion of the risks related to the Plan.

The Projections assume that the Plan will be consummated in accordance with its terms and that all transactions contemplated by the Plan will be consummated by the assumed Effective Date. Any significant delay in the assumed Effective Date of the Plan may have a significant negative impact on the operations and financial performance of the Debtors.

ARTICLE VII
CONFIRMATION PROCEDURES

A. OBJECTING TO THE PLAN

Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of a plan of reorganization.

The Plan Objection Deadline is [_____], 2009 at 5:00 p.m., prevailing Eastern Time. All objections to the Plan must be Filed with the Bankruptcy Court and served on the Debtors and certain other Entities in accordance with the Disclosure Statement Order on or before the Plan Objection Deadline.

In accordance with the Confirmation Hearing Notice Filed with the Bankruptcy Court, objections to the Plan or requests for modifications to the Plan, if any, must:

- Be in writing;
- Conform to the Bankruptcy Rules and Local Bankruptcy Rules for the Southern District of New York (the "**Local Rules**");
- state the name and address of the objecting Entity and the amount and nature of the Claim or Interest of such Entity;
- state with particularity the basis and nature of the objection to the Plan and, if practicable, a proposed modification to the Plan that would resolve such objection; and
- be Filed, contemporaneously with a proof of service, with the Bankruptcy Court and served on all of the following parties so that it is **actually received** by such parties:

Marc J. Carmel Sienna R. Singer KIRKLAND & ELLIS LLP 300 North LaSalle Chicago, Illinois 60654 *Counsel to the Debtors*	Andrew Leblanc Milbank, Tweed, Hadley & McCloy LLP 1850 K Street, N.W. One Chase Manhattan Plaza Suite 1100 New York, New York 10005 Washington, D.C. 20006 *Counsel to the Ad Hoc Committee of Senior Noteholders*	Adam Harris Schulte, Roth, & Zabel LLP 919 Third Avenue New York, New York 10022 *Counsel to the Prepetition Lenders*
Richard P. Mastoloni Space Systems/Loral, Inc. c/o Loral Space & Communications, Inc. 600 Third Avenue New York, New York 10016 Jeff Jones Wildcat Systems LLC 13295 Illinois Street, Suite 303 Carmel, Indiana 46032 Tom Peters Wireless Strategy, LLC P.O. Box 169 McLean, Virginia 22101 *Committee of Unsecured Creditors*	CLERK OF THE BANKRUPTCY COURT One Bowling Green New York, NY 10004-1408 *Bankruptcy Court*	OFFICE OF THE UNITED STATES TRUSTEE FOR THE SOUTHERN DISTRICT OF NEW YORK 33 Whitehall Street, 21st Floor New York, New York 10004 *United States Trustee*

B. THE CONFIRMATION HEARING

Section 1128(a) of the Bankruptcy Code requires a bankruptcy court, after notice, to hold a confirmation hearing on confirmation of a plan filed under chapter 11 of the Bankruptcy Code.

1. Confirmation Hearing Date

The Confirmation Hearing will commence on [_____], 2009 at [____] [ ].m., prevailing Eastern Time, before the Honorable Robert E. Gerber, United States Bankruptcy Judge, in the United States Bankruptcy Court for the Southern District of New York. The Confirmation Hearing may be continued from time to time without further notice other than a notice of adjournment Filed with the Bankruptcy Court and served on the notice parties identified in the Confirmation Hearing Notice. The Bankruptcy Court, in its discretion and prior to the Confirmation Hearing, may put in place additional procedures governing the Confirmation Hearing. The Plan may

be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing, without further notice to parties in interest.

C. STATUTORY REQUIREMENTS FOR CONFIRMATION OF THE PLAN

At the Confirmation Hearing, the Bankruptcy Court shall determine whether the requirements of section 1129 of the Bankruptcy Code have been satisfied. If so, the Bankruptcy Court shall enter the Confirmation Order. The Debtors believe that the Plan satisfies or will satisfy the applicable requirements, as follows:

- The Plan complies with the applicable provisions of the Bankruptcy Code;
- The Debtors, as Plan proponents, will have complied with the applicable provisions of the Bankruptcy Code;
- The Plan has been proposed in good faith and not by any means forbidden by law;
- Any payment made or promised under the Plan for services or for costs and expenses in, or in connection with the Chapter 11 Cases or in connection with the Plan and incident to the Chapter 11 Cases, has been disclosed to the Bankruptcy Court, and any such payment: (1) made before the Confirmation of the Plan is reasonable; or (2) subject to the approval of the Bankruptcy Court is reasonable if it is to be fixed after the Confirmation of the Plan;
- Either each Holder of an Impaired Claim or Impaired Interest has accepted the Plan, or will receive or retain under the Plan on account of that Claim or Interest, property of a value, as of the Effective Date of the Plan, that is not less than the amount that such Holder would receive or retain if the Debtors were liquidated on that date under chapter 7 of the Bankruptcy Code;
- Each Class of Claims or Interests that is entitled to vote to accept or reject the Plan has either accepted the Plan or is not Impaired under the Plan, or the Plan can be confirmed without the approval of each Voting Class pursuant to section 1129(b) of the Bankruptcy Code;
- Except to the extent that the Holder of a particular Claim or Interest will agree to a different treatment of its Claim or Interest, the Plan provides that Administrative Claims and Priority Tax Claims will be paid in full in Cash on the Effective Date or, otherwise, in accordance with the Bankruptcy Code;
- At least one Class of Impaired Claims or Impaired Interests will accept the Plan, determined without including any acceptance of the Plan by any insider holding a Claim or Interest of that Class;
- Confirmation of the Plan is not likely to be followed by the liquidation, or the need for further financial reorganization of the Debtors or any successors thereto under the Plan, unless such a liquidation or reorganization is proposed in the Plan; and
- All fees of the type described in 28 U.S.C. § 1930, including the fees of the United States Trustee, will be paid as of the Effective Date.

The Debtors believe that: (1) the Plan satisfies or will satisfy all of the statutory requirements of chapter 11 of the Bankruptcy Code; (2) it has complied or will have complied with all of the requirements of chapter 11 of the Bankruptcy Code; and (3) the Plan has been proposed in good faith.

1. Best Interests of Creditors Test

Under the Bankruptcy Code, confirmation of a plan requires a finding that the plan is in the "best interests" of holders of claims and interests. Under the "best interests" test, the Bankruptcy Court must find (subject to certain exceptions) that the Plan provides, with respect to each Impaired Class, that each Holder of an Allowed Claim or Interest in such Impaired Class has accepted the Plan, or will receive or retain under the Plan property of a value, as of the Effective Date, that is not less than the amount that such Holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

The analysis under the "best interests" test requires that the Bankruptcy Court determine what Holders of Allowed Claims and Interests in each Impaired Class would receive if the Chapter 11 Cases were converted to liquidation cases under chapter 7 of the Bankruptcy Code, and the Bankruptcy Court appointed a chapter 7 trustee to liquidate all of the debtors' assets into Cash. The Debtors' "liquidation value" would consist primarily of unencumbered and unrestricted Cash held by the Debtors at the time of the conversion to chapter 7 cases, and the proceeds resulting from the chapter 7 trustee's sale of the Debtors' remaining unencumbered assets. The gross Cash available for distribution would be reduced by the costs and expenses incurred in effecting the chapter 7 liquidation and any additional administrative claims incurred during the chapter 7 cases.

The Bankruptcy Court then must compare the value of the distributions from the proceeds of the hypothetical chapter 7 liquidation of the Debtors (after subtracting the chapter 7-specific claims and administrative costs) with the value to be distributed to the Holders of Allowed Claims and Interests under the Plan. It is possible that in a chapter 7 liquidation, Claims and Interests may not be classified in the same manner as set forth in the Plan. In a hypothetical chapter 7 liquidation of the Debtors' assets, the rule of absolute priority of distribution would apply, i.e., no junior creditor would receive any distribution until payment in full of all senior creditors, and no Holder of an Interest would receive any distribution until all creditors have been paid in full. Further, in chapter 7 cases, unsecured creditors and interest holders of a debtor are paid from available assets generally in the following order: (a) holders of secured claims (to the extent of the value of their collateral); (b) holders of priority claims; (c) holders of unsecured claims; (d) holders of claims expressly subordinated by their terms or bankruptcy court order; and (e) holders of equity interests.

Of the foregoing groups of Claims, the Administrative Claims, Priority Tax Claims, Other Secured Claims, Other Priority Claims, Intercompany Claims, and Intercompany Interests are either unclassified or "Unimpaired" under the Plan, meaning that the Plan generally leaves their legal, equitable, and contractual rights unaltered. As a result, Holders of such Claims and Interests are deemed to accept the Plan. Prepetition Facility Claims, Senior Note Claims, General Unsecured Claims, Other Equity Interests, and Existing Stockholder Interests are "Impaired" under the Plan and are entitled to vote to accept or reject the Plan. Because the Bankruptcy Code requires that Holders of Impaired Claims either accept the Plan or receive at least as much under the Plan as they would in a hypothetical chapter 7 liquidation, the operative "best interests" inquiry in the context of the Plan is whether in a chapter 7 liquidation, after accounting for recoveries by Holders of Administrative Claims, Secured Claims, and Priority Claims, the Holders of Impaired Claims and Holders of Interests will receive more or less than under the Plan. The Plan is not in the best interests of Impaired creditors and Interest Holders, if the probable distribution to impaired creditors and interest holders under a hypothetical chapter 7 liquidation is greater than the distributions to be received by such Holders under the Plan.

As described in more detail in the liquidation analysis provided in ARTICLE VII.C.2 hereof and **Exhibit E** attached hereto (the "**Liquidation Analysis**"), the Debtors believe that the value of any distributions in a chapter 7 case would be the same or less than the value of distributions under the Plan. In particular, proceeds received in a chapter 7 liquidation are likely to be significantly discounted due to the distressed nature of the sale and the fees and expenses of a chapter 7 trustee would likely further reduce Cash available for distribution.

2. Liquidation Analysis

The Debtors believe that the Plan meets the "best interests" test as set forth in section 1129(a)(7) of the Bankruptcy Code. There are Classes that are Impaired with respect to the Debtors, all of which are contemplated to receive recoveries under the Plan. The Debtors believe that the members of each Class that is Impaired will receive at least as much as they would if the Debtors were liquidated under chapter 7 of the Bankruptcy Code.

The Liquidation Analysis reflects the estimated cash proceeds, net of liquidation-related costs, that would be realized if the Debtors were to be liquidated in accordance with chapter 7 of the Bankruptcy Code. Underlying the Liquidation Analysis are a number of estimates and assumptions that, although developed and considered reasonable by the Debtors' management and advisors, are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the Debtors and their management and advisors and are also based upon assumptions with respect to certain liquidation decisions that could be subject to change. **ACCORDINGLY, THERE CAN BE NO ASSURANCE THAT THE VALUES REFLECTED IN THE LIQUIDATION ANALYSIS WOULD BE REALIZED IF THE DEBTORS WERE, IN FACT, TO**

UNDERGO SUCH A LIQUIDATION, AND ACTUAL RESULTS COULD VARY MATERIALLY FROM THOSE SHOWN HERE.

The Liquidation Analysis was prepared by the Debtors' management, with the assistance of Jefferies and the Debtors' other advisors. The Liquidation Analysis is based upon the Debtors' balance sheet as of March 31, 2009, and is predicated on the assumption that the Debtors would commence chapter 7 liquidation proceedings in the United States on [_____], 2009. The Liquidation Analysis assumes that the actual March 31, 2009 balance sheet is a proxy for the [_____], 2009 balance sheet, unless otherwise noted.

The Liquidation Analysis also assumes that the liquidation of the Debtors would commence under the direction of a Court-appointed chapter 7 trustee and would continue for a period of [ ] months, during which time all of the Debtors' significant assets would either be sold or conveyed to the respective secured creditors with a perfect lien thereon, and the cash proceeds, net of liquidation-related costs, would then be distributed to creditors. Although the liquidation of certain of the Debtors' assets might not require [ ] months, other assets, including the DBSD G-1 Satellite, the Debtors' principal asset, are likely to be more difficult to sell, thus requiring a liquidation period substantially longer than [ ] months. The liquidation period would allow for the collection of receivables, the orderly sale of fixed assets, and the orderly wind-down of daily operations. For certain assets, estimates of the liquidation values were made for each asset individually. For other assets, liquidation values were assessed for general classes of assets by estimating the percentage recoveries that a chapter 7 trustee might achieve through an orderly disposition.

The Liquidation Analysis assumes the orderly liquidation and wind down of all of the Debtors, including DBSD North America, Inc., 3421554 Canada Inc., DBSD Satellite Management LLC, DBSD Satellite North America Limited, DBSD Satellite Services G.P., DBSD Satellite Services Limited, DBSD Services Limited, New DBSD Satellite Services G.P., and SSG UK Limited. There can be no assurances that the actual value realized in a sale of these operations and assets would yield the results as assumed in the Liquidation Analysis.

The Liquidation Analysis assumes that liquidation proceeds would be distributed in accordance with section 726 of the Bankruptcy Code. If a chapter 7 liquidation were pursued for the Debtors, the amount of liquidation value available to creditors would be reduced: (a) by the costs of the liquidation including fees and expenses of the trustee appointed to manage the liquidation, fees and expenses of other professionals retained by the trustee to assist with the liquidation, and asset disposition expenses; (b) by the carve-out for unpaid professional fees and disbursements subject to such carve-out in the Chapter 11 Cases (the "**Carve Out**"); (c) by the claims of secured creditors to the extent of the value of their collateral except as described herein; and (d) by the Administrative Claims, Priority Tax Claims, and Other Priority Claims, including unpaid operating expenses incurred during the Chapter 11 Cases and any accrued and unpaid professional fees and disbursements not included in the Carve Out allowed in the chapter 7 cases.

The liquidation itself would trigger certain priority payments that otherwise would not be due in the ordinary course of business absent the chapter 7 liquidation. These priority payments would be satisfied in full before any distribution of proceeds to pay General Unsecured Claims or to make distributions on account of Interests. The liquidation would likely prompt certain other events to occur, including the rejection of remaining Executory Contracts and Unexpired Leases and defaults under certain agreements with suppliers. Such events would likely create a much larger aggregate amount of unsecured claims and would subject the chapter 7 estates to considerable additional claims for damages for breaches of those contracts and leases or for the rejection of those contracts and leases under the Bankruptcy Code and applicable non-bankruptcy law. Such claims would also materially increase the amount of General Unsecured Claims against the Debtors and would dilute any potential recoveries to other Holders of General Unsecured Claims. No attempt has been made to estimate additional General Unsecured Claims that may result from such events under a chapter 7 liquidation scenario.

The Liquidation Analysis necessarily contains an estimate of the amount of Claims that will ultimately become Allowed Claims. Estimates for various classes of Claims are subject to the Debtors' continuing review of the Claims Filed or to be Filed in the Chapter 11 Cases and are based solely upon the Debtors' books and records. No order or finding has been entered by the Court estimating or otherwise fixing the amount of Claims at the projected levels set forth in this Liquidation Analysis. In preparing the Liquidation Analysis, the Debtors have projected amounts of Claims that are consistent with the estimated Claims reflected in the Plan with certain modifications as specifically discussed herein.

The Liquidation Analysis assumes that there are no recoveries from the pursuit of any potential preferences, fraudulent conveyances, or other causes of action and does not include the estimated costs of pursuing those actions.

Notwithstanding the difficulties in quantifying recoveries to Holders of Allowed Claims and Interests with precision, the Debtors believe that, taking into account the Valuation Analysis as set forth in Article VI of the Disclosure Statement and this Liquidation Analysis, the Plan satisfies the "best interests" test set forth in section 1129(a)(7) of the Bankruptcy Code. Based upon the Liquidation Analysis and the Valuation Analysis, the Debtors believe that Holders of Allowed Claims and Interests will receive at least as much under the Plan as they would in a hypothetical chapter 7 liquidation. In a chapter 7 liquidation, Holders of Prepetition Facility Claims would receive a [ ]% to [ ]% recovery, which is the same or less than their recovery under the Plan. Holders of Senior Note Claims would receive a [ ]% to [ ]% recovery in a chapter 7 liquidation, which is the same or less than their recovery under the Plan. Holders of Other Secured Claims would receive a [ ]% to [ ]% recovery in a chapter 7 liquidation, which is the same or less than their recovery under the Plan. Holders of Administrative Claims, Other Priority Claims, Priority Tax Claims, Intercompany Claims, Intercompany Interests, General Unsecured Claims, Existing Stockholder Interests, and Other Equity Interests likely would not recover anything in a chapter 7 liquidation, and such Holders will receive a recovery under the Plan.

Accordingly, Holders of Claims and Interests will receive at least as much or more of a recovery under the Plan because, among other things, the continued operation of the Debtors as a going concern rather than a chapter 7 liquidation will allow the realization of more value on account of the assets of the Debtors. In the event of a chapter 7 liquidation, the aggregate amount of General Unsecured Claims no doubt will increase as a result of rejection of a greater number of the Executory Contracts and Unexpired Leases of the Debtors. A chapter 7 liquidation also would give rise to additional costs, expenses, and Administrative Claims. All of these factors lead to the conclusion that recoveries under the Plan would be greater than the recoveries available in chapter 7 liquidation.

3. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires the Bankruptcy Court to find, as a condition to confirmation, that confirmation "is not likely to be followed by the liquidation, or the need for further financial reorganization, of the debtor or any successor to the debtor under the plan, unless such liquidation or reorganization is contemplated by the plan." Under the Plan, the Holders of Allowed Other Secured Claims, Allowed Other Priority Claims, Allowed Intercompany Claims, and Allowed Intercompany Interests will be paid in full, and the Debtors' balance sheet will become materially deleveraged. Accordingly, the Debtors believe that the Plan satisfies the financial feasibility requirements of section 1129(a)(11) of the Bankruptcy Code.

4. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, that, except as described in the following section titled "Confirmation Without Acceptance by All Impaired Classes," each class of claims or interests that is impaired under the plan accept the plan. A class that is unimpaired under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptance with respect to such class is not required. A class is "impaired" unless the plan: (a) leaves unaltered the legal, equitable, and contractual rights to which the claim or equity interest entitles the holder of that claim or equity interest; (b) cures any default and reinstates the original terms of the obligation; or (c) provides that, on the consummation date, the holder of the claim or equity interest receives cash equal to the allowed amount of that claim or, with respect to any interest, any fixed liquidation preference to which the equity interest holder is entitled or any fixed price at which the debtor may redeem the security.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of claims in that class, but for that purpose counts only those who actually vote to accept or to reject the plan. Thus, a class of claims will have accepted the plan if the plan is accepted by at least two-thirds in amount and a majority in number of the claims or interests of such classes (other than any claims of creditors designated under section 1126(e) of the Bankruptcy Code) that have voted to accept or reject the Plan. Under section 1126(d) of the Bankruptcy Code, a class of equity interests has accepted the plan if holders of such equity interests holding at least two-thirds in amount (other than any holder of interests designated under section 1126(e) of the Bankruptcy Code) that have voted to accept or reject the plan.

Classes 3, 4, 6, and 9 are Unimpaired under the Plan, and, as a result, the Holders of Claims and Interests in such Classes are deemed to have accepted the Plan.

Classes 1, 2, 5, 7, and 8 are Impaired under the Plan and are entitled to vote to accept or reject the Plan.

5. Confirmation Without Acceptance by All Impaired Classes

Section 1129(b) of the Bankruptcy Code allows a Bankruptcy Court to confirm a plan, even if all impaired classes entitled to vote have not accepted it, provided that the plan has been accepted by at least one impaired class. Section 1129(b) of the Bankruptcy Code provides that, notwithstanding an impaired class's failure to accept a plan, the plan shall be confirmed, at the plan proponent's request, in a procedure commonly known as "cram down," so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or interests that is impaired under, and has not accepted, the plan.

In general, a plan does not discriminate unfairly if it treats a class substantially equivalent to the treatment of other classes of equal rank. Courts will take into account a number of factors in determining whether a plan discriminates unfairly, including whether the discrimination has a reasonable basis, whether the debtor can carry out a plan without such discrimination, whether such discrimination is proposed in good faith, and the treatment of the class discriminated against. Courts have also held that it is appropriate to classify unsecured creditors separately if the differences in classification are in the best interest of the creditors, foster reorganization efforts, do not violate the absolute priority rule, and do not needlessly increase the number of classes.

The condition that a plan be "fair and equitable" to a non-accepting class of secured claims requires that: (a) the holders of such secured claims retain the liens securing such claims to the extent of the allowed amount of the claims, whether the property subject to the liens is retained by the debtors or transferred to another Entity under the plan; (b) each holder of a secured claim in the class receives deferred cash payments totaling at least the allowed amount of such claim with a present value, as of the effective date of the plan, at least equivalent to the value of the secured claimant's interest in the debtor's property subject to the liens; or (c) such holders realize the indubitable equivalent of such secured claims.

The condition that a plan be "fair and equitable" with respect to a non-accepting class of unsecured claims includes the requirement that either: (a) the plan provides that each holder of a claim of such class receive or retain on account of such claim property of a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (b) the holder of any claim or interest that is junior to the claims of such class will not receive or retain under the plan on account of such junior claim or interest any property.

The condition that a plan be "fair and equitable" to a non-accepting class of interests includes the requirements that either: (a) the plan provides that each holder of an interest in that class receives or retains under the plan, on account of that interest, property of a value, as of the effective date of the plan, equal to the greater of (i) the allowed amount of any fixed liquidation preference to which such holder is entitled, (ii) any fixed redemption price to which such holder is entitled, or (iii) the value of such interest; or (b) if the class does not receive such an amount as required under (a), no class of interests junior to the non-accepting class may receive a distribution under the plan.

The Plan provides that if any Impaired Class rejects the Plan, the Debtors reserve the right to seek to confirm the Plan utilizing the "cram down" provisions of section 1129(b) of the Bankruptcy Code. To the extent that any Impaired Class rejects the Plan or is deemed to have rejected the Plan, the Debtors will request Confirmation of the Plan under section 1129(b) of the Bankruptcy Code. The Debtors reserve the right to alter, amend, modify, revoke, or withdraw the Plan or any exhibit or schedule to the Plan, including to amend or modify it to satisfy the requirements of section 1129(b) of the Bankruptcy Code, if necessary.

The Debtors submit that if it "crams down" the Plan pursuant to section 1129(b) of the Bankruptcy Code, the Plan is structured such that it does not "discriminate unfairly" and satisfies the "fair and equitable" requirement.

D. RISK FACTORS

Prior to deciding whether and how to vote on the Plan, each Holder of a Claim or Interest in the Voting Classes—Classes 1, 2, 5, 7, and 8—should consider carefully all of the information in this Disclosure Statement and should particularly consider the Risk Factors described in ARTICLE VIII hereof, entitled "Plan Related Risk Factors And Alternatives To Confirming And Consummating The Plan."

E. IDENTITY OF PERSONS TO CONTACT FOR MORE INFORMATION

Any interested party desiring further information about the Plan should contact: The Garden City Group, Inc., Attn: DBSD North America, Inc., 105 Maxess Road, Melville, New York 11747, via electronic mail at dbsdmail@gardencitygroup.com, or by phone at (888) 256-2603.

F. DISCLAIMER

In formulating the Plan, the Debtors have relied on financial data derived from their books and records. The Debtors, therefore, represent that everything stated in this Disclosure Statement is true to the best of their knowledge. The Debtors nonetheless cannot, and do not, confirm the current accuracy of all statements appearing in this Disclosure Statement. Moreover, the Bankruptcy Court has not yet determined whether the Plan is confirmable and, the Bankruptcy Court does not recommend whether you should vote to accept or reject the Plan.

The discussion in this Disclosure Statement regarding the Debtors may contain "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward looking terminology such as "may," "expect," "anticipate," "estimate," or "continue" or the negative thereof or other variations thereon or comparable terminology. The reader is cautioned that all forward looking statements are necessarily speculative and there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward looking statements. The liquidation analyses, distribution projections, and other information are estimates only, and the timing and amount of actual distributions to Holders of Claims and Interests may be affected by many factors that cannot be predicted. Therefore, any analyses, estimates, or recovery projections may or may not turn out to be accurate.

Nothing contained in this Disclosure Statement is, or shall be deemed to be, an admission or statement against interest by the Debtors for purposes of any pending or future litigation matter or proceeding.

Although the attorneys, accountants, advisors, and other professionals employed by the Debtors have assisted in preparing this Disclosure Statement based upon factual information and assumptions respecting financial, business, and accounting data found in the books and records of the Debtors, they have not independently verified such information and make no representations as to the accuracy thereof. The attorneys, accountants, advisors, and other professionals employed by the Debtors shall have no liability for the information in this Disclosure Statement.

The Debtors and their professionals also have made a diligent effort to identify in this Disclosure Statement pending litigation claims and projected objections to claims and interests. However, no reliance should be placed on the fact that a particular litigation claim or projected objection to a claim and interest is, or is not, identified in this Disclosure Statement.

ARTICLE VIII
PLAN-RELATED RISK FACTORS AND ALTERNATIVES TO CONFIRMING AND CONSUMMATING THE PLAN

The following provides a summary of various important considerations and risk factors associated with the Plan; however, it is not exhaustive. **Prior to deciding whether and how to vote on the Plan, Holders of Claims and Interests in a Voting Class should read and consider carefully all of the information in the Plan and the Disclosure Statement, including the risk factors set forth herein, as well as all other information referenced or**

incorporated by reference into this Disclosure Statement, including the risks and other factors described in the SEC filings of non-Debtor ICO Global, all of which are incorporated herein by reference.

A. CERTAIN BANKRUPTCY LAW CONSIDERATIONS

1. Parties in Interest May Object to Debtors' Classification of Claims and Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a class of claims or equity interests in a particular class only if such claim or equity interest is substantially similar to the other claims and equity interests in such class. The Debtors believe that the classification of Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created nine Classes of Claims and Interests, each encompassing Claims or Interests that are substantially similar to the other Claims or Interests in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

2. Failure to Satisfy Vote Requirement

If votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors intend to seek Confirmation of the Plan. If the Plan does not receive the required support from the Voting Classes, the Debtors may elect to amend the Plan.

3. The Debtors May Not Be Able to Obtain Confirmation or Consummation of the Plan

The Debtors cannot ensure that they will receive the requisite acceptances to confirm the Plan. Even if the Debtors receive the requisite acceptances, the Debtors cannot ensure that the Bankruptcy Court will confirm the Plan. A Holder of Claims or Interests might challenge the adequacy of this Disclosure Statement or the procedures for Solicitation and results as not being in compliance with the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determined that this Disclosure Statement and the balloting procedures and results were appropriate, the Bankruptcy Court could still decline to confirm the Plan if it found that any of the statutory requirements for Confirmation had not been met. As discussed in further detail in ARTICLE VII.C hereof, section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a plan of reorganization and requires, among other things: a finding by a bankruptcy court that the plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; the confirmation "is not likely to be followed by a liquidation, or the need for further financial reorganization[;]" and the value of distributions to non-accepting holders of claims or interests within an impaired class will not be "less than the amount that such holder would receive or retain if the debtor were liquidated under chapter 7" of the Bankruptcy Code. While the Debtors believe that the Plan complies with section 1129 of the Bankruptcy Code, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

Consummation of the Plan is also subject to certain conditions as described in Article X of the Plan. If the Plan is not confirmed, it is unclear what distributions Holders of Claims and Interests ultimately would receive with respect to their Claims and Interests.

The Debtors, subject to the terms and conditions of the Plan, reserve the right to modify the terms of the Plan as necessary for Confirmation. Any such modification could result in a less favorable treatment of any non-accepting Class or Classes, as well as of any Classes junior to such non-accepting Classes, than the treatment currently provided in the Plan. Such a less favorable treatment could include a distribution of property to the Class affected by the modification of a lesser value than currently provided in the Plan or no distribution of property whatsoever under the Plan.

4. The Debtors May Object to the Amount or Classification of a Claim

Except as otherwise provided in the Plan, the Debtors reserve the right to object to the amount or classification of any Claim or Interest. The estimates set forth in this Disclosure Statement cannot be relied on by any Holder of a Claim or Interest where such Claim or Interest is subject to an objection. Any Holder of a Claim or Interest may not receive its specified share of the estimated distributions described in this Disclosure Statement.

5. Risk of Non-Occurrence of the Effective Date

Although the Debtors believe that the Effective Date will occur, there can be no assurance as to timing or the likelihood of the occurrence of the Effective Date.

6. Substantive Consolidation Risks

The Plan is premised upon substantive consolidation as set forth in Article IV.A of the Plan for purposes associated with Confirmation and Consummation of the Plan. The Debtors can provide no assurance, however, that the Bankruptcy Court will enter an order granting substantive consolidation contemplated by the Plan.

7. Contingencies Not to Affect Votes of Impaired Classes to Accept the Plan

The distributions available to Holders of Allowed Claims and Interests under the Plan can be affected by a variety of contingencies, including, without limitation, whether or not the Debtors are substantively consolidated and whether the Bankruptcy Court orders certain Claims to be subordinated to other Claims. The occurrence of any and all such contingencies, which could affect distributions available to Holders of Allowed Claims and Interests under the Plan, however, will not affect the validity of the vote taken by the Impaired Classes to accept or reject the Plan or require resolicitation of the Impaired Classes.

B. FINANCIAL INFORMATION; DISCLAIMER

Although the Debtors have used their reasonable efforts to ensure the accuracy of the financial information provided in this Disclosure Statement, the financial information contained in, or incorporated by reference into, this Disclosure Statement has not been audited and is based upon an analysis of data available at the time of the preparation of the Plan and this Disclosure Statement. While the Debtors believe that such financial information fairly reflects the financial condition of the Debtors, the Debtors are unable to warrant or represent that the information contained herein and attached hereto is without inaccuracies.

C. FACTORS AFFECTING THE DEBTORS

The Debtors are exposed to various factors and risks that include, without limitation, the following.

1. Business-Related Risks

a. The Debtors Have No Significant Operations, Revenues, or Operating Cash Flow and Will Need Additional Liquidity to Fund Operations and Fully Fund All Necessary Capital Expenditures

The Debtors have no significant operations or revenues and do not generate any cash from operations. The Debtors each expect to produce losses for the foreseeable future. Moreover, the Debtors continue to incur expenses, which must be funded out of cash reserves or the proceeds, if any, of future financings. The implementation of the Debtors' business plan, including the construction of the MSS/ATC Hybrid Network, requires significant funding. It is unclear when, or if, the Debtors will be able to generate sufficient cash from operations to cover their expenses and fund capital expenditures beyond those required to complete the MSS portion of the MSS/ATC Hybrid Network. The Debtors' current assets will not be sufficient to fund their expenses through deployment of the integrated MSS/ATC Hybrid Network and commencement of revenue-generating operations. The Debtors would need substantial additional capital if they decide to develop the necessary ATC ground infrastructure alone, rather than with strategic partners. The Debtors expect that the additional funding needed for the type and scope of ATC service they would pursue without strategic partners would range from approximately $300 million to $800 million, depending on the business or consumer market they choose to serve, the type and extent of ATC infrastructure necessary to serve such market, and the geographic scope of the Debtors' service area.

b. The Recent Financial Crisis and Current Uncertainty in Global Economic Conditions Could Have a Material Negative Effect on the Debtors' Business, Liquidity, Results of Operations, and Financial Condition

The recent financial crisis affecting the banking system and financial markets and the current uncertainty in global economic conditions have resulted in a tightening in the credit markets, a low level of liquidity in many financial markets, and extreme volatility in credit, equity, and fixed income markets. There could be a number of follow-on effects from these economic developments on the Debtors' business, including the difficulty in raising sufficient money to fund the Debtors' operations and anticipated capital expenditures until the Debtors are able to generate positive cash flow, as well as the depression of the value of any assets that the Debtors may determine to sell or deploy together with strategic partners.

c. The Debtors Hold Investments in ARS That May Not Be Immediately Convertible Into Cash, Which Could Impact the Funding of Future Operations

As discussed above, during the first quarter of 2008, the Debtors used the proceeds from the sale and maturity of certain of their investments and cash and cash equivalents to purchase student loan backed ARS that have become illiquid due to failed auctions. As of March 31, 2009, the Debtors held ARS with a par value of approximately $74.4 million. The Prepetition Facility Obligations and the Senior Notes are secured by liens on the ARS.

The Debtors intend to finance their post-emergence operations, in part, with cash from sales or other disposition of the ARS. To the extent the Debtors are unable to generate sufficient liquidity from the ARS or do not secure additional funding, the Debtors would be required to significantly reduce their operating and development expenditures, which would include, among others, capital expenditures for the terrestrial network development of the MSS/ATC Hybrid Network, related personnel and vendor support, and other overhead.

d. The Debtors May Not Be Successful in Implementing Their Business Plan, and This Failure Would Have a Material Effect on the Debtors' Financial Condition and Ability to Generate Revenues From Operations and Realize Earnings

The Debtors' business plan contemplates building an MSS/ATC Hybrid Network serving all 50 states in the United States, as well as Canada, Puerto Rico, and the U.S. Virgin Islands. The Debtors may be unable to develop such a network in the timetable or within the total costs projected, or they may be unsuccessful at selling the services or capabilities provided by such a network.

e. There Are Significant Risks Associated With Operating the Satellite Contemplated Under the Debtors' Business Plan

The Debtors' business plan contemplates operating the DBSD G-1 Satellite, exposing the Debtors to the many risks inherent in maintaining a satellite. The Debtors have obtained one year of in-orbit insurance coverage and intend to maintain such in-orbit coverage in the future. They have obtained insurance containing customary satellite insurance exclusions and/or deductibles. As is common in the industry, the Debtors are not insuring against business interruption, lost revenues or delay of revenues in the event of a total or partial loss of the communications capacity or life of their satellite. The total amount of insurance the Debtors may receive through the policy may not cover the cost to launch or insure a replacement satellite. Accordingly, the Debtors are not fully insured for all of the potential losses that may be incurred in the event of a satellite system failure.

The DBSD G-1 Satellite contains master locator oscillators ("**MLOs**") that provide critical communications functions. Two of these MLOs may have lost their back-up units. In the event either of the operating unit fails, there could be degradation in the transmission of communications in some parts of the United States. In addition, the Debtors' insurance policy would not cover such a degradation in performance of the satellite.

f. There Are Significant Technological Risks Associated With the Development of the Debtors' MSS/ATC Hybrid Network

The successful development of the Debtors' MSS/ATC Hybrid Network will require the Debtors and other of its subsidiaries and together with its suppliers and partners, to develop several new systems. These include the integrated MSS and ATC systems, dual direction ground-based beam forming ("**GBBF**") equipment for communications between the satellite and terrestrial equipment, and the development of mass-market dual mode devices that will meet the FCC's requirements. These devices are currently being developed. Although GBBF has been used for satellites before, and is currently operational in the Debtors' MSS/ATC Hybrid Network, it has never been implemented to the extent planned for the DBSD G-1 Satellite. Also, the DBSD G-1 Satellite may operate at lower signal strength than other satellites, increasing the challenge of developing a suitable dual mode device. Each of these developments represents unique challenges that may impact schedule and development cost. In addition, the end-user devices and the new network infrastructure may be at a cost disadvantage, due to lack of manufacturing scale. This may place the Debtors at a cost disadvantage with respect to other terrestrial carriers.

Other parties may have patents or pending patent applications related to integrated MSS/ATC Hybrid Network technology. Those parties may claim that the Debtors' products or services infringe their intellectual property rights and bring suit against the Debtors for infringement of patent or other intellectual property rights. Although the Debtors believe that they do not (and do not intend to), they may be found to infringe on or otherwise violate the intellectual property rights of others. If the Debtors' products or services are found to infringe or otherwise violate the intellectual property rights of others, they may need to obtain licenses from those parties or design around such rights, increasing development costs and potentially making the Debtors' MSS/ATC Hybrid Network less efficient. The Debtors may not be able to obtain the necessary licenses on commercially reasonable terms, or at all, or to design around such rights. In addition, if a court finds that the Debtors infringe or otherwise violate the intellectual property rights of others, they could be required to pay substantial damages or be enjoined from making, using, or selling the infringing product or technology. The Debtors could also be enjoined while an infringement suit was pending. Any such claim, suit or determination could have a material adverse effect on the operation of the MSS/ATC Hybrid Network or the Debtors and the Debtors' competitive position and ability to generate revenues.

The Debtors will have to license hardware and software for their MSS/ATC Hybrid Network and products. There is a risk that the necessary licenses will not be available on acceptable commercial terms. Failure to obtain such licenses or other rights could have a material adverse effect on the operation of the MSS/ATC Hybrid Network and the Debtors and the Debtors' ability to remain competitive and generate revenues from operations.

g. The Success of the Debtors' Business Plan May Depend on Their Ability to Form Strategic Partnerships to Develop Their MSS/ATC Hybrid Network Under the Constraints of Various Regulatory Requirements

The Debtors' business plan contemplates that they may form strategic partnerships with parties who are able to complement the Debtors' satellite offerings and benefit from the Debtors' satellite and/or terrestrial network components. The Debtors currently have no strategic partners for their MSS/ATC Hybrid Network, and they may be unable to form such partnerships on attractive terms. Further, such partnerships may be subject to various regulatory requirements on operation and ownership of satellite and terrestrial assets that may significantly impact the value to a third-party of entering into a strategic relationship with the Debtors. Failure to obtain a strategic partner would make it more difficult for the Debtors to meet their financing requirements and strategic objectives.

h. The Debtors Face Significant Competition From Companies That Are Larger or Have Greater Resources

The Debtors face significant competition from companies that are larger or have greater resources and from companies that may introduce new technologies. While the Debtors plan to be one of the first companies to offer integrated satellite and ATC-based terrestrial services, in parts of their business they will face competition from many well-established and well-financed competitors, including existing cellular and PCS operators who have large established customer bases. Many of these competitors have substantially greater access to capital and have significantly more operating experience than the Debtors. Further, due to their larger size, many of these competitors enjoy economies of scale benefits that are not available to the Debtors.

The Debtors may also face competition from other MSS operators planning to offer MSS/ATC services. In addition, the FCC could make additional wireless spectrum available to new or existing competitors.

The Debtors may also face competition from the entry of new competitors or from companies with new technologies, and the Debtors cannot predict the impact that this would have on their business plan or future results of operations.

i. The Debtors May Not Be Able to Protect the Proprietary Information and Intellectual Property Rights Upon Which the Debtors' Operations and Future Growth Depend

The Debtors' success depends, in part, on their ability to develop or acquire technical know-how and remain current on new technological developments. As a result, the Debtors' ability to compete effectively will depend, in part, on their ability to protect proprietary technologies and system designs. The Debtors have attempted to safeguard and maintain their proprietary rights, and they rely on patents, trademarks, copyrights, trade secret laws, and policies and procedures related to confidentiality to protect the Debtors' technology, products, and services. Some of the Debtors' technology, products, and services, however, are not covered by any of these protections.

The Debtors cannot guarantee whether any of their pending patent applications will be issued or, in the case of patents issued or to be issued, that the claims allowed are or will be sufficiently broad to protect the Debtors' intellectual property. Even if all of the Debtors' patent applications are issued and are sufficiently broad, the patents may be challenged, invalidated, or circumvented. In addition, the Debtors do not not know whether they will be successful in maintaining the rights to their granted trademarks, and these trademark rights may be challenged. Moreover, patent and trademark applications filed in foreign countries may be subject to laws, rules, and procedures that are substantially different from those of the United States, and any resulting foreign patents may be difficult and expensive to enforce. The Debtors could, therefore, incur substantial costs and diversion of resources in prosecuting patent and trademark infringement suits or otherwise protecting the Debtors' intellectual property rights, which could have a material adverse effect on the Debtors' financial condition and results of operations, regardless of the final outcome. Despite the Debtors' efforts to protect their proprietary rights, they may not be successful in doing so or their competitors may be able to independently develop or patent technologies equivalent or superior to the Debtors' technologies.

The Debtors also rely upon unpatented proprietary technology and other trade secrets. While it is the Debtors' policy to enter into confidentiality agreements with their employees and third parties to protect proprietary expertise and other trade secrets, these agreements may not be enforceable, and, even if they are legally enforceable, the Debtors may not have adequate remedies for breaches of such agreements. The failure of the Debtors' patents or confidentiality agreements to protect the Debtors' proprietary technology or trade secrets could have an adverse effect on the Debtors' results of operations.

The Debtors may be unable to determine when third parties are using the Debtors' intellectual property rights without authorization. The unremedied use of the Debtors' intellectual property rights or the legitimate development or acquisition of intellectual property similar to the Debtors' by third parties could reduce or eliminate any competitive advantage the Debtors have as a result of their intellectual property, adversely affecting the Debtors' financial condition and results of operations. If the Debtors must take legal action to protect, defend, or enforce their intellectual property rights, any suits or proceedings could result in significant costs and diversion of resources and management's attention, and there is a risk that the Debtors may not prevail in any such suits or proceedings.

j. The Debtors May Be Unable to Deploy Their Terrestrial Network in the Appropriate Timeframe and at an Appropriate Cost, Which Would Have a Material Effect on Their Financial Condition and Ability to Generate Revenues From Operations and to Realize Earnings

The Debtors' business plan contemplates the deployment of a terrestrial network in certain targeted markets, with expansion based upon customer needs. Tower sites or leases of space on tower sites and governmental authorizations in desirable areas may be costly and time consuming to obtain. In addition, because the terrestrial component of the Debtors' planned network will be attached to buildings, towers, and other structures,

natural disasters such as earthquakes, tornadoes, hurricanes, or other natural catastrophic events, terrorism, or vandalism could damage the Debtors' network, interrupt their service, and harm their business in the affected area. Temporary disruptions could damage the Debtors' reputation and demand for the Debtors' services, which may adversely affect the Debtors' financial condition. If the Debtors are unable to obtain tower space, local zoning approvals, or adequate telecommunications transport capacity to develop their network or if the Debtors were unable to repair or replace their towers in a timely fashion after a natural catastrophic event or protect their towers after a man made disaster, the launch of the Debtors' network will be delayed and, as a consequence, the Debtors' financial condition and ability to commence revenue-generating operations and realize earnings may be adversely affected.

k. The Debtors' Success Depends Upon Key Management Personnel, and the Debtors' Limited Liquidity and Related Business Risks May Make it Difficult to Retain Key Managers and, if Necessary, Attract New Managers

The Debtors' future success depends upon the knowledge, ability, experience, and reputation of their personnel. The loss of key personnel and the inability to recruit and retain qualified individuals could adversely affect the Debtors' ability to implement their business strategy and to operate their business.

l. The New Credit Facility and the Amended Facility Contemplated Under the Plan May Contain Covenants That May Limit Operating Flexibility, and the Debtors May Incur Additional Future Debt

The New Credit Facility and the Amended Facility may contain covenants that, among other things, restrict the Debtors' ability to take specific actions. In addition, the Debtors may incur other indebtedness in the future that may contain financial or other covenants more restrictive than those of the New Credit Facility and the Amended Facility. The New Credit Facility and the Amended Facility may contain restrictions that limit the Debtors' ability to plan for or react to market conditions and meet capital needs, or that otherwise restrict the Debtors' activities or business plans, and these restrictions may affect adversely the Debtors' ability to finance their operations, enter into acquisitions, or engage in other business activities that would be in the Debtors' interest. The Debtors' ability to comply with any financial covenants may be affected by events beyond the Debtors' control, and there is no assurance that the Debtors will satisfy those requirements.

m. The Debtors May Not Be Able to Achieve Their Projected Financial Results

The Projections set forth on **Exhibit D** attached hereto represent Debtors' management's best estimate of the Debtors' future financial performance based on currently known facts and assumptions about the Debtors' future operations as well as the economy in general and the industry segments in which the Debtors operate in particular. The Debtors' actual financial results may differ significantly from the projections. If the Debtors do not achieve their projected financial results, the value of the New Common Stock may be negatively affected and the Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date.

n. The Debtors Are a Development State Company and Are Subject to the Risks Typically Associated With a Start-Up Entity

Because the Debtors have had no significant operations, they can provide only limited historical financial information and are subject to all of the risks typically associated with a start-up entity. The Debtors' future operating results will be subject to fluctuations due to a number of factors outside of the Debtors' control, including fluctuating market demand for the Debtors' services, pricing strategies for competitive services, new offerings of competitive services, changes in the regulatory environment, and general economic conditions.

2. Regulatory Risks

a. The Debtors Are Subject to Significant U.S. and International Governmental Regulation

The Debtors' ownership and operation of satellite and wireless communication systems is subject to regulation by the FCC, the International Telecommunication Union (the "**ITU**"), which regulates international radio and telecommunications, and the United Kingdom Office of Communications, which oversees telecommunications

in the United Kingdom ("**Ofcom**"). In general, laws, policies, and regulations affecting the satellite and wireless communications industries are subject to change in response to industry developments, new technology or political considerations. Legislators or regulatory authorities in the United States, the United Kingdom, and at the ITU are considering or may consider, or may in the future adopt, new laws, policies, and regulations, or changes to existing regulations regarding a variety of matters that could, directly or indirectly, affect the Debtors' operations or increase the cost of providing services over their MSS/ATC Hybrid Network.

The Debtors are subject to a large number of FCC regulations. FCC authorizations to provide wireless communication services and operate certain equipment are a necessary part of an MSS/ATC network. Though the Debtors have met their satellite milestones, they remain subject to FCC rules for the operation and development of an MSS system. The Debtors' authorization to provide ATC services is predicated on meeting certain gating criteria, including maintaining a ground spare satellite within one year after commencing ATC operation and offering commercial MSS throughout the United States and certain territories. Failure to comply with relevant FCC rules or with the terms of FCC authorizations granted to the Debtors to provide MSS or ATC services could result in a cancellation of their MSS or ATC authorization, unless a waiver of the rules or conditions is obtained.

Debtor DBSD Satellite North America Limited is authorized by the United Kingdom to launch and operate the DBSD G-1 Satellite. Ofcom submits and maintains ITU filings on the behalf of the Debtors, pursuant to the Debtors' continuing compliance with U.K. due diligence requirements. Ongoing due diligence requires the Debtors to proceed apace with their business plans and to comply with Ofcom and ITU requirements related to filings made and activities undertaken. In the event that Ofcom finds that the Debtors are not developing the Satellite System consistent with Ofcom's due diligence requirements, Ofcom may refuse to further support ITU filings made on the Debtors' behalf. The withdrawal of support of the Debtors' ITU filing would have a material adverse effect on the Debtors' ability to deploy their Satellite System. U.K. law also imposes an indemnification requirement on ICO Global and the Debtors in the event their satellite causes damage to another satellite in flight.

The ITU regulates the use of radio frequency bands and orbital locations used by satellite networks to provide communications services. The use of spectrum and orbital resources by us and other satellite networks must be coordinated pursuant to the ITU's Radio Regulations in order to avoid interference among the respective networks.

By June 1, 2012, the Debtors' Satellite System is required under ITU rules to be brought into use and coordinated with those national administrations whose satellite systems have superior ITU rights. If the system is not brought into use by June 1, 2012, the ITU would automatically cancel the ITU filings for that system, which could have a material adverse effect on the Debtors' ability to deploy the Satellite System. Further, if the Debtors fail to complete coordination with such administrations and systems, the system may be prohibited under ITU rules from providing coverage to countries served by those satellite systems.

Increased competition for spectrum and orbital locations may make it difficult and costly for the Debtors or their parent to obtain or retain the right to use the spectrum and orbital resources required for the Debtors' operations. In the future, the Debtors may not be able to coordinate their satellite operations successfully under international telecommunications regulations and may not be able to obtain or retain spectrum and orbital resources required to provide future services. If the Debtors lose U.S. or international regulatory authorizations for orbital locations or spectrum or fail to coordinate the Debtors' use of the spectrum successfully, they could lose the right to operate, which would have a material adverse effect on the Debtors' business.

b. The Debtors Have Not Yet Met the Conditions to Provide ATC Service Under Their ATC Authorization and, if the Debtors Are Not Successful in Meeting These Conditions, it Could Have a Material Adverse Effect on the Debtors' Ability to Deploy the Integrated MSS/ATC Hybrid Network

The Debtors cannot commence commercial ATC service until they have met certain ATC "gating criteria," including a requirement to maintain a spare satellite on the ground within one year after commencing ATC service and offering commercial MSS throughout the United States and certain territories. The Debtors have not yet ordered a spare satellite and currently do not have financing available to pay for a spare satellite. Construction of a spare satellite would likely require two to three years. The Debtors may also need to apply for additional authorizations, including licenses and equipment certifications for end-user and other equipment. If the Debtors are unsuccessful in

receiving such authorizations from the FCC, it could have a material adverse effect on the Debtors' ability to deploy and generate revenues from the operation of the integrated MSS/ATC Hybrid Network and realize earnings. Additionally, as discussed in subsection (d) below, the Debtors are not allowed under existing FCC rules to commence commercial MSS until certain incumbent operators are relocated away from certain portions of the 2 GHz band.

c. The Debtors' ATC Authorization Is Subject to Pending Application for FCC Review

In January 2009, the Debtors' request for ATC authorization was granted by the International Bureau, the relevant division of the FCC with authority over such matters. In February 2009, Sprint Nextel filed an application for review by the full FCC requesting that the FCC disallow the Debtors' ATC authorization. The Debtors have opposed this request on the grounds that it is legally incorrect. The matter is pending before the FCC. If the Debtors lose their authorization, this could have a material adverse effect on the Debtors' ability to develop and operate the ATC service. If the Debtors are unable to proceed with ATC service because of the loss of this authorization or for other reasons, this would have a material adverse effect on the Debtors' business.

d. The Debtors' Use of the 2 GHz Band Is Subject to Successful Relocation of Incumbent Users

There are currently incumbent operators using certain portions of the 2 GHz band, including the radiofrequency spectrum that has been reserved for MSS use (the "**2 GHz MSS Band**"). The Debtors' operations in the 2 GHz MSS Band are subject to successful relocation of incumbent operators providing broadcast auxiliary service, cable television relay service, and local television transmission service (collectively, "**BAS**") and other users in the 2 GHz band. The FCC's rules require that new entrants to the 2 GHz band relocate microwave incumbent operators in the 2 GHz band or reimburse other parties for their costs of relocating those incumbent operators.

Sprint Nextel, a new entrant in the 2 GHz band, is required to relocate incumbent BAS users away from the 2 GHz band. On September 4, 2007, Sprint Nextel made a filing with the FCC stating that progress in relocating the BAS operations has been substantially delayed and requested (as modified by a subsequent filing) a twenty-four month extension of its clearing obligations until August 2009. On March 5, 2008, the FCC granted to Sprint Nextel an extension until March 2009, subject to a number of conditions and clarifications, and commenced a proceeding to consider allowing 2 GHz MSS operators to commence commercial service before BAS relocation is completed ("BAS relocation rulemaking"). Sprint Nextel has requested a further extension until February 7, 2010. The FCC has sought public comment on Sprint Nextel's latest extension request. Though the BAS relocation rulemaking is pending, the Debtors cannot predict when or how that proceeding will conclude. Delays in making sufficient progress in the relocation effort could delay the start of commercial MSS operations. Any such delay would negatively impact the Debtors' ability to develop the certain services and generate revenues during the period of the delay and potentially would delay the deployment of the Debtors' integrated MSS/ATC Hybrid Network.

In addition, Sprint is seeking reimbursement of clearing costs from 2 GHz MSS licensees through litigation and regulatory action and has filed a complaint requesting an excess of $100 million in reimbursement from the Debtors. Whether Sprint Nextel is entitled to any reimbursement and, if so, how much, will depend on the application and possible modification of the FCC's rules. If the Debtors are required to reimburse Sprint Nextel, payments could have a material adverse effect on the Debtors' financial condition and results of operations. For additional information about this matter, see ARTICLE III.F hereof, entitled "Pending Litigation Proceedings."

Finally, the FCC's rules require that 2GHz MSS licensees relocate incumbent microwave operators in the 2GHz MSS band at 2180-2200 MHz or reimburse other parties for their costs of relocating incumbent microwave operators. The Debtors have completed the clearing necessary to conduct alpha trials in two trial markets, but must clear additional microwave links or reimburse others for the clearing costs before they can offer nationwide MSS and ATC services. It is possible the Debtors could be unsuccessful in clearing all of the necessary microwave incumbents in a timely manner, and any such clearing delay may impact the operation of the Debtors' MSS/ATC Hybrid Network.

e. The Debtors' Spectrum Assignment Is Subject to Pending Petitions for FCC Reconsideration

On December 8, 2005, the FCC increased the assignment to the Debtors of 2 GHz MSS spectrum from 8 MHz to 20 MHz. The Debtors' spectrum assignment is subject to pending petitions for reconsideration of this FCC decision and is conditioned upon any reinstatement of a cancelled 2 GHz MSS authorization previously held by another service provider. FCC reinstatement of such authorization would likely result in a reduction in the amount of spectrum assigned to the Debtors. Any reduction in the Debtors' spectrum assignment could reduce their value and adversely affect the implementation of the Debtors' business plan, financial condition, and competitive position.

f. Transfers of the Debtors' FCC Authorizations Are Subject to Prior FCC Approval

Any transfer of the Debtors' FCC authorizations would be subject to prior FCC approval. A request for FCC approval could involve a lengthy review period prior to consummation of the transfer. The Debtors may be unable to obtain the necessary FCC approval in a reasonably timely fashion, and the FCC could impose new or additional license conditions as part of such a review.

Due to the filing of the Chapter 11 Cases and as required under FCC rules, the Debtors filed an application on May 21, 2009 for FCC approval of the *pro forma* (or non-substantial) assignment of their FCC authorizations to the Debtors as debtors in possession. The Debtors also will be required to apply for and obtain FCC approval prior to consummating any transaction under a court-approved restructuring plan that would result in a transfer of the Debtors' FCC authorizations.

3. Risks Related to the New Common Stock

a. Transfer of the New Common Stock Will Be Restricted

The New Common Stock has not been registered under the Securities Act or any state or foreign securities laws. Until holders of New Common Stock are able to freely transfer the new common stock pursuant to Rule 144 under the Securities Act, such holders may not offer or sell the New Common Stock in the United States or to, or for the account or benefit of, a U.S. person, as defined in Regulation S, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. It is the obligation of the holder of New Common Stock to ensure that its offers and sales of New Common Stock comply with applicable securities laws. In addition, the New Common Stock may be subject to certain transfer restrictions in the Stockholders' Agreement.

b. There Is Currently No Trading Market for the Shares of New Common Stock, and an Active Liquid Trading Market for the New Common Stock May Not Develop

There is currently no existing trading market for the shares of New Common Stock. The Debtors do not currently intend to apply for listing of the shares of New Common Stock on any securities exchange or for quotation of such securities on any automated dealer quotation system. An active public trading market may not develop for the shares of New Common Stock and, even if one develops, such public trading market may not be maintained. If an active public trading market for the shares of New Common Stock does not develop or is not maintained, the market price and liquidity of such securities is likely to be adversely affected and holders may not be able to sell such securities at desired times and prices or at all. If any shares of New Common Stock are traded after their issuance, they may trade at a discount from the price at which such securities were acquired.

The liquidity of the trading market, if any, and future trading prices of the shares of New Common Stock will depend on and may be adversely affected by unfavorable changes in many factors, including, without limitation:

- Prevailing interest rates;
- The Debtors' business, financial condition, results of operations, prospects and credit quality;

- The market for similar securities and the overall securities market; and
- General economic and financial market conditions.

Many of these factors are beyond the Debtors' control. Historically, the market for equity securities has been volatile. Market volatility could materially and adversely affect the shares of New Common Stock, regardless of the Debtors' business, financial condition, results of operations, prospects, or credit quality.

The shares of New Common Stock have not been registered under the Securities Act, which could affect the liquidity and price of the New Common Stock. The shares of New Common Stock may be transferred by holders of such shares to the extent that there is an available exemption from the registration requirements of the Securities Act and to the extent permitted by the Stockholders' Agreement. This could substantially adversely impact both the liquidity and the share price of the New Common Stock.

4. Legal Proceedings

In the normal course of business, the Debtors are subject to various legal proceedings and claims. Accordingly, although the Debtors believe that they have made adequate provisions for all current and threatened legal disputes, the Debtors may in the future become involved in legal disputes arising from their relationships with their employees, shareholders, business partners and creditors, or from other sources. Such legal disputes could result in large settlements or judgments that could materially impair the Debtors' financial condition. In addition, the defense of such proceedings could result in significant expense and the diversion of management's time and attention from the operation of the business, which could impede the Debtors' ability to achieve their business objectives. Some or all of the amount the Debtors may be required to pay to defend or to satisfy a judgment or settlement of any or all of these proceedings may not be covered by insurance.

D. CERTAIN TAX MATTERS

For a summary of certain federal income tax consequences of the Plan to certain Holders of Claims and Interests and to the Debtors, see ARTICLE X hereof, entitled "Certain United States Federal Income Tax Consequences."

E. RISK THAT THE INFORMATION IN THIS DISCLOSURE STATEMENT MAY BE INACCURATE

The statements contained in this Disclosure Statement are made by the Debtors as of the date hereof, unless otherwise specified herein, and the delivery of this Disclosure Statement after that date does not imply that there has not been a change since that date in the information set forth herein. The Debtors may subsequently update the information in this Disclosure Statement, but they have no duty to update this Disclosure Statement unless ordered to do so by the Court. Further, the performance and prospective financial information contained herein, unless otherwise expressly indicated, is unaudited. Finally, neither the SEC nor any other governmental authority has passed upon the accuracy or adequacy of this Disclosure Statement, the Plan, or any Exhibits thereto.

F. LIQUIDATION UNDER CHAPTER 7

If no plan can be confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to liquidate the assets of the Debtors for distribution in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a chapter 7 liquidation would have on the recoveries of Holders of Claims and Interests and the Debtors' Liquidation Analysis is set forth in ARTICLE VII.C.1 hereof and **Exhibit E** attached hereto.

These risk factors contain certain statements that are "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act") and are made pursuant the safe harbor provisions thereof. These statements are subject to a number of assumptions, risks, and uncertainties, many of which are beyond the control of the Debtors, including, without limitation, the implementation of the Plan, the continuing availability of sufficient borrowing capacity, and other financing to fund operations, currency exchange rate fluctuations, terrorist actions or acts of war, operating

efficiencies, labor relations, actions of governmental bodies, and other market and competitive conditions. Holders of Claims and Interests are cautioned that the forward-looking statements speak as of the date made and are not guarantees of future performance. Actual results or developments may differ materially from the expectations expressed or implied in the forward-looking statements and the Debtors undertake no obligation to update any such statements.

ARTICLE IX
SECURITIES LAW MATTERS

A. PLAN SECURITIES

The Plan provides for the Debtors to issue the New Common Stock to Holders of Allowed Claims and Interests in Classes 2, 5, and 7 and the Warrants and New Common Stock to Holders of Allowed Interests in Class 8.

The Debtors believe that the Plan Securities constitute "securities," as defined in Section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy Code, and applicable Blue Sky Law. The Debtors further believe that the offer and sale of the Plan Securities pursuant to the Plan are, and subsequent transfers of the Plan Securities by the Holders thereof that are not "underwriters," as defined in Section 2(a)(11) of the Securities Act and in the Bankruptcy Code, will be exempt from federal and state securities registration requirements under various provisions of the Securities Act, the Bankruptcy Code, and state securities laws.

B. ISSUANCE AND RESALE OF PLAN SECURITIES UNDER THE PLAN

1. Exemptions from Registration Requirements of the Securities Act

Section 1145 of the Bankruptcy Code provides that the registration requirements of section 5 of the Securities Act (and any state Blue Sky Law requirements) shall not apply to the offer or sale of stock, options, warrants, or other securities by a debtor if: (a) the offer or sale occurs under a plan of reorganization; (b) the recipients of the securities hold a claim against, an interest in, or claim for administrative expense against, the debtor; and (c) the securities are issued in exchange for a claim against or interest in a debtor or are issued principally in such exchange and partly for cash and property.

Section 4(2) of the Securities Act provides that the registration requirements of section 5 of the Securities Act shall not apply to the offer and sale of a security in connection with transactions not involving any public offering. Regulation D is a non-exclusive safe harbor promulgated by the SEC under the Securities Act related to, among others, section 4(2) of the Securities Act. By virtue of section 18 of the Securities Act, section 4(2) of the Securities Act also provides that any state Blue Sky Law requirements shall not apply to such offer or sale.

In reliance upon these exemptions, the offer and sale of the Plan Securities will not be registered under the Securities Act or any state Blue Sky Law.

To the extent that the issuance of the Plan Securities are covered by section 1145 of the Bankruptcy Code, the Plan Securities may be resold without registration under the Securities Act or other federal securities laws, unless the holder is an "underwriter" (as discussed below) with respect to such securities, as that term is defined in section 2(a)(11) of the Securities Act and in the Bankruptcy Code. In addition, the Plan Securities generally may be able to be resold without registration under state securities laws pursuant to various exemptions provided by the respective Blue Sky Law of those states; however, the availability of such exemptions cannot be known unless individual state Blue Sky Laws are examined. Therefore, recipients of the Plan Securities are advised to consult with their own legal advisors as to the availability of any such exemption from registration under state Blue Sky Law in any given instance and as to any applicable requirements or conditions to such availability.

Securities issued pursuant to the exemption provided by section 4(2) of the Securities Act or Regulation D promulgated thereunder are considered "restricted securities" as defined by Rule 144 promulgated under the Securities Act and may not be resold under the Securities Act and applicable state Blue Sky Law absent an effective registration statement under the Securities Act or pursuant to an applicable exemption from registration, including Rule 144 promulgated under the Securities Act.

Recipients of the Plan Securities are advised to consult with their own legal advisors as to the applicability of section 1145 of the Bankruptcy Code and section 4(2) of the Securities Act to the Plan Securities and the availability of any exemption from registration under the Securities Act and state Blue Sky Law.

2. Resales of Plan Securities; Definition of Underwriter

Section 1145(b)(1) of the Bankruptcy Code defines an "underwriter" as one who, except with respect to "ordinary trading transactions" of an entity that is not an "issuer": (a) purchases a claim against, interest in, or claim for an administrative expense in the case concerning, the debtor, if such purchase is with a view to distribution of any security received or to be received in exchange for such Claim or Interest; or (b) offers to sell securities offered or sold under a plan for the holders of such securities; or (c) offers to buy securities offered or sold under a plan from the holders of such securities, if such offer to buy is (i) with a view to distribution of such securities and (ii) under an agreement made in connection with the plan, with the consummation of the plan, or with the offer or sale of securities under the plan; or (d) is an issuer of the securities within the meaning of section 2(a)(11) of the Securities Act. In addition, a Person who receives a fee in exchange for purchasing an issuer's securities could also be considered an underwriter within the meaning of section 2(a)(11) of the Securities Act.

The definition of an "issuer" for purposes of whether a Person is an underwriter under Section 1145(b)(1)(D) of the Bankruptcy Code, by reference to section 2(a)(11) of the Securities Act, includes as "statutory underwriters" all persons who, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with, an issuer of securities. The reference to "issuer," as used in the definition of "underwriter" contained in section 2(a)(11) of the Securities Act, is intended to cover "controlling persons" of the issuer of the securities. "Control," as defined in Rule 405 of the Securities Act, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer or director of a reorganized debtor or its successor under a plan of reorganization may be deemed to be a "controlling Person" of such debtor or successor, particularly if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor's or its successor's voting securities. In addition, the legislative history of section 1145 of the Bankruptcy Code suggests that a creditor who owns ten percent (10%) or more of a class of securities of a reorganized debtor may be presumed to be a "controlling Person" and, therefore, an underwriter.

Resales of the Plan Securities by Entities deemed to be "underwriters" (which definition includes "controlling Persons") are not exempted by section 1145 of the Bankruptcy Code from registration under the Securities Act or other applicable law. Under certain circumstances, holders of Plan Securities who are deemed to be "underwriters" may be entitled to resell their Plan Securities pursuant to the limited safe harbor resale provisions of Rule 144 of the Securities Act. Generally, Rule 144 of the Securities Act would permit the public sale of securities received by such person if current information regarding the issuer is publicly available and if volume limitations, manner of sale requirements and certain other conditions are met. However, the Debtors do not presently intend to make publicly available the requisite current information regarding the Debtors, and as a result, Rule 144 of the Securities Act will not be available for resales of Plan Securities by persons deemed to be underwriters. Whether any particular Person would be deemed to be an "underwriter" (including whether such Person is a "controlling Person") with respect to the Plan Securities would depend upon various facts and circumstances applicable to that Person. Accordingly, the Debtors express no view as to whether any Person would be deemed an "underwriter" with respect to the Plan Securities and, in turn, whether any Person may freely resell Plan Securities. The Debtors recommend that potential recipients of Plan Securities consult their own counsel concerning their ability to freely trade such securities without compliance with the federal and state securities laws. In addition, there will be the Registration Rights Agreement, in form and substance mutually acceptable to the Principal Noteholders and the Existing Stockholder, dated as of the Effective Date, and in substantially the form set forth in the Plan Supplement.

C. LISTING OF NEW COMMON STOCK

The Debtors shall not be obligated to list the New Common Stock on a national securities exchange.

ARTICLE X
CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain United States federal income tax consequences of the Plan to the Debtors and certain Holders of Claims and Interests. This summary is based on the Internal Revenue Code of 1986 (as amended, the "**Tax Code**"), Treasury Regulations thereunder, and administrative and judicial interpretations and practice, all as in effect on the date of the Disclosure Statement and all of which are subject to change, with possible retroactive effect. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained, and the Debtors do not intend to seek a ruling from the Internal Revenue Service as to any of the tax consequences of the Plan discussed below. There can be no assurance that the Internal Revenue Service will not challenge one or more of the tax consequences of the Plan described below. This summary does not apply to Holders of Claims or Interests that are not United States Persons (as such term is defined in the Tax Code) or that are otherwise subject to special treatment under United States federal income tax law (including, without limitation, banks, governmental authorities or agencies, financial institutions, insurance companies, pass-through entities, tax-exempt organizations, brokers and dealers in securities, mutual funds, small business investment companies, and regulated investment companies). The following discussion assumes that Holders of Claims and Interests hold such Claims and Interests as "capital assets" within the meaning of section 1221 of the Tax Code. Moreover, this summary does not purport to cover all aspects of United States federal income taxation that may apply to the Debtors and Holders of Claims or Interests based upon their particular circumstances. Additionally, this summary does not discuss any tax consequences that may arise under any laws other than United States federal income tax law, including under state, local, or foreign tax law.

ACCORDINGLY, THE FOLLOWING SUMMARY OF CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR CAREFUL TAX PLANNING AND ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER OF A CLAIM OR INTEREST. ALL HOLDERS OF CLAIMS OR INTERESTS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE FEDERAL, STATE, LOCAL, AND OTHER TAX CONSEQUENCES APPLICABLE UNDER THE PLAN.

INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE: TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE INTERNAL REVENUE SERVICE, ANY TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING TAX-RELATED PENALTIES UNDER THE TAX CODE. TAX ADVICE CONTAINED IN THIS DISCLOSURE STATEMENT (INCLUDING ANY ATTACHMENT) WAS WRITTEN TO SUPPORT THE DEBTORS' RECOMMENDATION TO THE HOLDERS OF CLAIMS AND INTERESTS TO VOTE TO ACCEPT THE PLAN. EACH TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

A. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO HOLDERS OF CLAIMS AND INTERESTS

1. Consequences to Holders of Class 1 Prepetition Facility Claims and Class 2 Senior Note Claims

Pursuant to the Plan, Class 1 Prepetition Facility Claims will be exchanged for obligations of Reorganized Debtors, and Class 2 Senior Note Claims will be exchanged for New Common Stock. The United States federal income tax consequences to Holders of such Claims depend on whether the Claims and obligations are treated as "securities" for purposes of the reorganization provisions of the Tax Code.

Whether an instrument constitutes a "security" is determined based on all the facts and circumstances, but most authorities have held that term-length of a debt instrument at issuance is an important factor in determining whether such an instrument is a security for United States federal income tax purposes. These authorities have indicated that a term of less than five years is evidence that the instrument is not a security, whereas a term of ten years or more is evidence that such debt instrument is a security. The term of the Prepetition Facility is

approximately 1 year and 1 month, and the term of the Senior Notes is approximately 4 years. The Debtors will take the position that the Prepetition Facility will not be treated as a "security" for federal income tax purposes.

If the Prepetition Facility and Senior Notes are not treated as "securities," a Holder of such Claims will be treated as exchanging its Claims for New Common Stock or Reorganized Debtors' obligations in a taxable exchange under section 1001 of the Tax Code. Accordingly, assuming that neither the Prepetition Facility nor Reorganized Debtors' obligations are viewed as "publicly traded" for tax purposes, a Holder generally should recognize gain or loss on the relevant exchange equal to the difference between (a) the Holder's tax basis in the Claims surrendered by the Holder in such exchange and (b) the fair market value of any New Common Stock on the Effective Date or the stated principal amounts (or imputed principal amount as defined in section 1274(b) of the Tax Code, in the case of a debt obligation issued with original issue discount) of any Reorganized Debtors' obligations received in such exchange that is not allocable to accrued but untaxed interest. If either the Prepetition Facility or Reorganized Debtors' obligations are viewed as "publicly traded" for tax purposes, the amount described in (b) above with regard to the Reorganized Debtors' obligations should be the fair market value of such obligations on the Effective Date (rather than the stated principal amount of the Reorganized Debtors' obligations).

Gain or loss recognized on such exchange should be capital in nature, subject to the "market discount" rules described in ARTICLE X.A.6 hereof, and should be long term capital gain or loss if the Claims were held for more than one year by the Holder. To the extent that a portion of the consideration received in exchange for the Claims is allocable to accrued but untaxed interest, the Holder may recognize ordinary income, as discussed in greater detail in ARTICLE X.A.5 hereof. A Holder's tax basis in the New Common Stock should equal its fair market value as of the Effective Date and, assuming that neither the Prepetition Facility nor the Reorganized Debtors' obligations are viewed as "publicly traded" for tax purposes, a Holder's tax basis in the Reorganized Debtors' obligations should equal their stated principal amounts. If either the Prepetition Facility or the Reorganized Debtors' obligations are viewed as "publicly traded" for tax purposes, a Holder's tax basis in the Reorganized Debtors' obligations should equal their fair market value as of the Effective Date. A Holder's holding period for the New Common Stock or Reorganized Debtors' obligations should begin on the day following their receipt.

If the Senior Notes are treated as "securities," the exchange of a Claim with respect to Senior Notes for New Common Stock would be treated as a recapitalization under the Tax Code. In general, this means that a Holder of a Senior Note Claim will not recognize gain or loss with respect to the exchange (except with respect to any portion of the New Common Stock that is treated as allocable to accrued interest on the Claim). If the exchange is treated as a recapitalization, a Holder's tax basis in the New Common Stock will equal the Holder's tax basis in the Claim surrendered, and the Holder's holding period in the New Common Stock includes the period that the Holder held its Claim.

2. Consequences to Holders of Class 5 General Unsecured Claims

Pursuant to the Plan, Class 5 General Unsecured Claims will be exchanged for New Common Stock. Holders of Class 5 Claims will recognize gain or loss with respect to their Claims in an amount equal to the difference between the fair market value of the New Common Stock they receive and their tax basis in their Claims. Such Holders will have a holding period for such New Common Stock that begins the day after they receive such New Common Stock, and their tax basis in such New Common Stock will be equal to their fair market value. Any gain or loss recognized by such Holders will be capital gain or loss if such Holders held their Claims as a capital asset or will be ordinary in character if such Holders did not hold their Claims as capital assets.

3. Consequences to Holders of Class 7 Other Equity Interests and Class 8 Existing Stockholder Interests

Pursuant to the Plan, Class 7 Other Equity Interests will be exchanged for New Common Stock, and Holders of Class 8 Existing Stockholder Interests will receive New Common Stock and Warrants. Assuming that the Interests, New Common Stock, and Warrants are treated as "securities" received in exchange for the Interests, for purposes of the reorganization provisions of the Tax Code, the receipt of such New Common Stock and Warrants, as applicable, pursuant to the Plan should be treated as a recapitalization and therefore a tax-free reorganization. In such case, a Holder of such Interests should not recognize any gain or loss on the exchange. Such Holder should obtain a tax basis in the New Common Stock and Warrants received by such Holder equal to the

tax basis of the Interests surrendered therefor and should have a holding period for the New Common Stock and Warrants received by such Holder that includes the holding period for the Interests exchanged therefor.

4. Consequences to Holders of 3, 4, 6, and 9 Claims and Interests

Pursuant to the Plan, Holders of Classes 3, 4, 6, and 9 Claims will either receive Cash (or possibly, in the case of Class 3 Claims, other property) in full or partial payment of their Claims, have their Claims or Interests fully Reinstated and rendered Unimpaired, or will receive nothing on account of their Claims. A Holder who receives Cash (or other property, such as collateral securing the Claim) in exchange for its Claim pursuant to the Plan will generally recognize gain or loss for United States federal income tax purposes in an amount equal to the difference between (a) the amount of Cash (or fair market value of property) received in exchange for its Claim and (b) the Holder's adjusted tax basis in its Claim. Gain or loss recognized on such exchange should be capital in nature, subject to the "market discount" rules described in ARTICLE X.A.6 hereof, and should be long term capital gain or loss if the Claims were held for more than one year by the Holder. To the extent that a portion of the consideration received in exchange for the Claims is allocable to "accrued but untaxed interest," the Holder may recognize ordinary income, as discussed in greater detail in ARTICLE X.A.5 hereof. A Holder that receives no consideration in exchange for its Claim will recognize a loss in an amount equal to its adjusted tax basis in its Claim. Any loss recognized should be capital in nature (subject to the "market discount" rules described in ARTICLE X.A.6 hereof) and should be long term capital loss if the Claims were held for more than one year by the Holder.

5. Accrued But Untaxed Interest

A portion of the consideration received by Holders of Claims may be attributable to accrued but untaxed interest on such Claims. Such amount should be taxable to that Holder as interest income if such accrued interest has not been previously included in the Holder's gross income for United States federal income tax purposes. If the fair value of the consideration is not sufficient to fully satisfy all principal and interest on Claims, the extent to which such consideration will be attributable to accrued but untaxed interest is unclear. Under the Plan, the aggregate consideration to be distributed to Holders of Claims in each Class will be allocated first to the principal amount of Claims, with any excess allocated to unpaid interest that accrued on such Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for United States federal income tax purposes. The Internal Revenue Service could take the position, however, that the consideration received by the Holder should be allocated in some way other than as provided in the Plan. Holders of Claims should consult their own tax advisors regarding the proper allocation of the consideration received by them under the Plan.

6. Market Discount

Holders who exchange Claims for New Common Stock or Cash (or other property) may be affected by the "market discount" provisions of sections 1276 through 1278 of the Tax Code. Under these provisions, some or all of the gain realized by a Holder may be treated as ordinary income (instead of capital gain), to the extent of the amount of accrued "market discount" on such Claims.

In general, a debt obligation with a fixed maturity of more than one year that is acquired by a holder on the secondary market (or, in certain circumstances, upon original issuance) is considered to be acquired with "market discount" as to that holder if the debt obligation's stated redemption price at maturity (or revised issue price as defined in section 1278 of the Tax Code, in the case of a debt obligation issued with original issue discount) exceeds the tax basis of the debt obligation in the holder's hands immediately after its acquisition. However, a debt obligation is not a "market discount bond" if the excess is less than a statutory *de minimis* amount (equal to 0.25% of the debt obligation's stated redemption price at maturity, or revised issue price in the case of a debt obligation issued with original issue discount, multiplied by the number of complete years remaining until maturity at the time of the acquisition).

Any gain recognized by a Holder on the taxable disposition of Claims (determined as described above) that were acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while the Claims were considered to be held by the Holder (unless the Holder elected to include market discount in income as it accrued).

7. Information Reporting and Backup Withholding

In general, information reporting requirements may apply to distributions or payments under the Plan. Additionally, under the backup withholding rules, a Holder of a Claim may be subject to backup withholding (currently at a rate of 28%) with respect to distributions or payments made pursuant to the Plan unless that Holder: (a) comes within certain exempt categories (which generally include corporations) and, when required, demonstrates that fact; or (b) provides a correct taxpayer identification number and certifies under penalty of perjury that the taxpayer identification number is correct and that the Holder is not subject to backup withholding because of a failure to report all dividend and interest income. Backup withholding is not an additional tax but is, instead, an advance payment that may be refunded to the extent it results in an overpayment of tax; provided, however, that the required information is provided to the Internal Revenue Service. The Debtors will withhold all amounts required by law to be withheld from payments of interest. The Debtors will comply with all applicable reporting requirements of the Internal Revenue Service.

THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING SUMMARY DOES NOT DISCUSS ALL ASPECTS OF UNITED STATES FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF A CLAIM OR INTEREST IN LIGHT OF SUCH HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL HOLDERS OF CLAIMS AND INTERESTS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTION CONTEMPLATED BY THE RESTRUCTURING, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL, OR FOREIGN TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

B. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES TO THE REORGANIZED DEBTORS

The Debtors expect to report their attributable share of consolidated net operating loss carryforwards for United States federal income tax purposes of approximately [__] million as of [_____]. As discussed below, the amount of the consolidated current year net operating losses and net operating loss carryforwards attributable to the Debtors (collectively, "**NOLs**") may be significantly reduced or eliminated upon implementation of the Plan. The Reorganized Debtors' subsequent utilization of any remaining NOLs and possibly certain other tax attributes may be restricted as a result of and upon the implementation of the Plan.

1. Cancellation of Debt and Reduction of Tax Attributes

In general, absent an exception, a debtor will realize and recognize cancellation of debt income ("**COD Income**") upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD Income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over (b) the sum of (x) the amount of Cash paid and (y) the fair market value of any new consideration (including stock of the debtor) given in satisfaction of such indebtedness at the time of the exchange. A debtor will not, however, be required to include any amount of COD Income in gross income if the debtor is under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding. Instead, as a consequence of such exclusion, a debtor must reduce its tax attributes by the amount of COD Income that it excluded from gross income pursuant to section 108 of the Tax Code. In general, tax attributes will be reduced in the following order: (a) NOLs; (b) most tax credits and capital loss carryovers; (c) tax basis in assets; and (d) foreign tax credits. A debtor with COD Income may elect first to reduce the basis of its depreciable assets pursuant to section 108(b)(5) of the Tax Code. Because the Plan provides that Holders of certain Claims will receive New Common Stock the amount of COD Income, and accordingly the amount of tax attributes required to be reduced, will depend on the fair market value of the New Common Stock exchanged therefor. This value cannot be known with certainty until after the Effective Date.

2. Limitation of NOL Carry Forwards and Other Tax Attributes

The Reorganized Debtors may have NOL carryovers and other tax attributes at emergence. The amount of such NOL carryovers that will be available to the Reorganized Debtors at emergence is based on a number of factors and is impossible to calculate at this time. Some of the factors that will impact the amount of available NOLs include: (a) the amount of tax losses incurred by the Debtors in [____]; (b) the value of the New Common Stock;

and (c) the amount of COD Income incurred by the Debtors in connection with consummating the Plan. The Debtors anticipate that subsequent utilization of any losses and NOL carryovers remaining may be restricted as a result of and upon consummating the Plan.

Following consummation of the Plan, the Debtors anticipate that any remaining NOL and tax credit carryovers and, possibly, certain other tax attributes of the Reorganized Debtors allocable to periods prior to the Effective Date (collectively, the "**Pre-Change Losses**") may be subject to limitation under section 382 of the Tax Code as a result of an "ownership change" of the Reorganized Debtors by reason of the transactions occurring pursuant to the Plan.

Under section 382 of the Tax Code, if a corporation undergoes an "ownership change," the amount of its Pre-Change Losses that may be utilized to offset future taxable income generally is subject to an annual limitation. As discussed in greater detail herein, the Debtors anticipate that the issuance of the New Common Stock pursuant to the Plan will result in an "ownership change" of the Reorganized Debtors for these purposes, and that the Debtors' use of their NOL carryovers will be subject to limitation unless an exception to the general rules of section 382 of the Tax Code applies.

The Debtors currently own a substantial investment in satellite equipment that has never been placed in service, and with respect to which the Debtors expect to realize potential tax losses in the future. To the extent that these tax losses are deemed to be on account of periods before the Effective Date, it is possible that such losses will be treated as "built-in losses" that will themselves be subject to limitation under section 382 of the Tax Code. Moreover, because this satellite equipment has never been placed in service for federal income tax purposes, it is unclear under existing judicial and administrative authority whether any losses with respect to this equipment will be capital or ordinary in nature.

a. General Section 382 Annual Limitation

In general, the amount of the annual limitation to which a corporation that undergoes an "ownership change" would be subject is equal to the product of (1) the fair market value of the stock of the corporation immediately before the "ownership change" (with certain adjustments) multiplied by (2) the "long-term tax-exempt rate" in effect for the month in which the "ownership change" occurs (currently approximately [4.61%]). Any unused limitation may be carried forward, thereby increasing the annual limitation in the subsequent taxable year.

b. Special Bankruptcy Exceptions

An exception to the foregoing annual limitation rules generally applies when so-called "qualified creditors" of a debtor company in a case under chapter 11 of the Bankruptcy Code receive, in respect of their claims, at least 50% of the vote and value of the stock of the reorganized debtor (or a controlling corporation if also in chapter 11) pursuant to a confirmed chapter 11 plan (the "**382(l)(5) Exception**"). Under the 382(l)(5) Exception, a debtor's Pre-Change Losses and certain "excess credits" are not limited on an annual basis but, instead, are required to be reduced by the amount of any interest deductions claimed during the three taxable years preceding the effective date of the plan of reorganization, and during the part of the taxable year prior to and including the effective date of the plan of reorganization, in respect of all debt converted into stock in the reorganization. If the 382(l)(5) Exception applies and the Debtors undergo another "ownership change" within two years after consummating the Plan, then the Debtors' Pre-Change Losses effectively would be eliminated in their entirety.

Where the 382(l)(5) Exception is not applicable (either because the debtor does not qualify for it or the debtor otherwise elects not to utilize the 382(l)(5) Exception), a second special rule will generally apply (the "**382(l)(6) Exception**"). When the 382(l)(6) Exception applies, a debtor corporation that undergoes an "ownership change" generally is permitted to determine the fair market value of its stock after taking into account the increase in value resulting from any surrender or cancellation of creditors' claims in the bankruptcy. This differs from the ordinary rule that requires the fair market value of a debtor corporation that undergoes an "ownership change" to be determined before the events giving rise to the change. The 382(l)(6) Exception also differs from the 382(l)(5) Exception in that under it the debtor corporation is not required to reduce its NOLs by the amount of interest deductions claimed within the prior three-year period, and the debtor may undergo a change of ownership within two years thereafter without triggering the elimination of its NOLs.

At this point the Debtors have not determined whether they will be eligible for, or will elect to utilize the 382(l)(5) Exception. In the event that the Debtors do not use the 382(l)(5) Exception, the Debtors expect that their use of their NOLs after the Effective Date will be subject to limitation based on the rules discussed above, but taking into account the 382(l)(6) Exception. If the Debtors determine that they are eligible for and choose to utilize the 382(l)(5) Exception, it is possible that the Reorganized Debtors will seek to impose restrictions on the transfer of shares of the New Common Stock, in order to ensure that another ownership change does not occur within the two-year period after the Effective Date. Regardless of whether the Reorganized Debtors take advantage of the 382(l)(6) Exception or the 382(l)(5) Exception, the Reorganized Debtors' use of their Pre-Change Losses after the Effective Date may be adversely affected if an "ownership change" within the meaning of section 382 of the Tax Code were to occur after the Effective Date.

3. Alternative Minimum Tax

In general, an alternative minimum tax ("**AMT**") is imposed on a corporation's alternative minimum taxable income ("**AMTI**") at a 20% rate to the extent such tax exceeds the corporation's regular federal income tax for the year. AMTI is generally equal to regular taxable income with certain adjustments. For purposes of computing AMTI, certain tax deductions and other beneficial allowances are modified or eliminated. For example, only 90% of a corporation's AMTI generally may be offset by available alternative tax NOL carryforwards. The effect of this rule could cause the Reorganized Debtors to owe a modest amount of federal income tax on taxable income in future years even though NOL carryforwards are available to offset that taxable income. Additionally, under section 56(g)(4)(G) of the Tax Code, an ownership change (as discussed above) that occurs with respect to a corporation having a net unrealized built-in loss in its assets will cause, for AMT purposes, the adjusted basis of each asset of the corporation immediately after the ownership change to be equal to its proportionate share (determined on the basis of respective fair market values) of the fair market value of the assets of the corporation, as determined under section 382(h) of the Tax Code, immediately before the ownership change.

ARTICLE XI
CONCLUSION AND RECOMMENDATION

The Debtors believe the Plan is in the best interests of all creditors and urges the Holders of Claims and Interests in the Voting Classes—Classes 1, 2, 5, 7, and 8—to vote to accept the Plan and to evidence such acceptance by returning their Ballots or Master Ballots so they will be **actually received** by the Notice and Claims Agent or the Securities Voting Agent, as applicable, no later than [_____] [_].m., prevailing Eastern Time, on [ ], 2009.

Reston, Virginia
Dated: May 30, 2009

DBSD North America, Inc. (for itself and all other Debtors)

/s/ Michael P. Corkery
Michael P. Corkery
Acting Chief Executive Officer, Executive Vice President, and Chief Financial Officer

Prepared By:

James H.M. Sprayregen, P.C.
Christopher J. Marcus
KIRKLAND & ELLIS LLP
Citigroup Center
153 East 53rd Street
New York, New York 10022-4611
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

- and -

Marc J. Carmel
Sienna R. Singer
KIRKLAND & ELLIS LLP
300 North LaSalle
Chicago, Illinois 60654
Telephone: (312) 862-2000
Facsimile: (312) 862-2200

Counsel to the Debtors and Debtors in Possession

EXHIBIT A

[DEBTORS' JOINT PLAN OF REORGANIZATION PURSUANT TO CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE, WHICH WILL BE ATTACHED HERETO.]